

EXHIBIT 1

DECLARATION OF ANDREW B. TURK

I, Andrew B. Turk, declare as follows:

1. I am an attorney at law licensed to practice in all the courts of the State of Arizona including the Superior Court of Arizona. I am an attorney in the law firm of Rose Law Group pc, counsel of record for defendants Change Lending, LLC, Ted Ray, Mario De Tomasi, Steven Sugarman, Sandra Marlette Owen, Chris Fremott, and Matthew Teskey. If called to testify to the following, I could do so truthfully, competently, and of my own personal knowledge.

2. Attached hereto as Exhibit A is a true and complete copy of the most recent version of the docket for the state court civil action originally commenced in the Superior Court of the State of Arizona, in and for the County of Maricopa, entitled *Potter Equities v. Change Lending, LLC, et al.*, Case No. CV 2021-016849.

3. Attached hereto as Exhibit B is a true and complete copy of the complaint and jury demand filed in the state court civil action originally commenced in the Superior Court of the State of Arizona, in and for the County of Maricopa, entitled *Potter Equities v. Change Lending, LLC, et al.*, Case No. CV 2021-016849.

4. Attached hereto as Exhibit C is a true and complete copy the certificate of arbitration filed in the state court civil action originally commenced in the Superior Court of the State of Arizona, in and for the County of Maricopa, entitled *Potter Equities v. Change Lending, LLC, et al.*, Case No. CV 2021-016849.

5. Attached hereto as Exhibit D is a true and complete copy of a summons to Change Lending LLC filed in the state court civil action originally commenced in the Superior Court of the State of Arizona, in and for the County of Maricopa, entitled *Potter Equities v. Change Lending, LLC, et al.*, Case No. CV 2021-016849.

6. Attached hereto as Exhibit E is a true and complete copy of a summons to Ted Ray filed in the state court civil action originally commenced in the Superior Court of the State

1 of Arizona, in and for the County of Maricopa, entitled *Potter Equities v. Change Lending,*
2 *LLC, et al.*, Case No. CV 2021-016849.

3 7. Attached hereto as Exhibit F is a true and complete copy of a summons to Mario
4 De Tomasi filed in the state court civil action originally commenced in the Superior Court of
5 the State of Arizona, in and for the County of Maricopa, entitled *Potter Equities v. Change*
6 *Lending, LLC, et al.*, Case No. CV 2021-016849.

7 8. Attached hereto as Exhibit G is a true and complete copy of a summons Steven
8 Sugarman filed in the state court civil action originally commenced in the Superior Court of
9 the State of Arizona, in and for the County of Maricopa, entitled *Potter Equities v. Change*
10 *Lending, LLC, et al.*, Case No. CV 2021-016849.

11 9. Attached hereto as Exhibit H is a true and complete copy of a summons to
12 (Sandra) Marlette Owen filed in the state court civil action originally commenced in the
13 Superior Court of the State of Arizona, in and for the County of Maricopa, entitled *Potter*
14 *Equities v. Change Lending, LLC, et al.*, Case No. CV 2021-016849.

15 10. Attached hereto as Exhibit I is a true and complete copy of a summons to Chris
16 Fremott filed in the state court civil action originally commenced in the Superior Court of the
17 State of Arizona, in and for the County of Maricopa, entitled *Potter Equities v. Change*
18 *Lending, LLC, et al.*, Case No. CV 2021-016849.

19 11. Attached hereto as Exhibit J is a true and complete copy of a summons to
20 Matthew Teskey filed in the state court civil action originally commenced in the Superior
21 Court of the State of Arizona, in and for the County of Maricopa, entitled *Potter Equities v.*
22 *Change Lending, LLC, et al.*, Case No. CV 2021-016849.

23 I declare under penalty of perjury under the laws of the State of Arizona that the
24 foregoing is true and correct.

25 Executed this 19th day of November 2021, at Scottsdale, Arizona.

26
27 
ANDREW B. TURK

EXHIBIT A

Select Language

Powered by Google Translate

Civil Court Case Information – Case History

Case Information

Case Number: CV2021-016849 Judge: Coury, Christopher
 File Date: 10/28/2021 Location: Downtown
 Case Type: Civil

Party Information

Party Name	Relationship	Sex	Attorney
Potter Equities	Plaintiff		Pro Per
Change Lending L L C	Defendant		Pro Per
Ted Ray	Defendant	Male	Pro Per
Mario De Tomasi	Defendant	Male	Pro Per
Steven Sugarman	Defendant	Male	Pro Per
Marlette Owen	Defendant	Female	Pro Per
Chris Freemott	Defendant	Unknown	Pro Per
Mattie Teskey	Defendant	Female	Pro Per

Case Documents

Filing Date	Description	Docket Date	Filing Party
10/28/2021	COM - Complaint	10/29/2021	Plaintiff(1)
NOTE: Complaint			
10/28/2021	CCN - Cert Arbitration - Not Subject	10/29/2021	Plaintiff(1)
NOTE: Certificate of Arbitration			
10/28/2021	CSH - Coversheet	10/29/2021	Plaintiff(1)
NOTE: Civil Cover Sheet System Generated			
10/28/2021	SUM - Summons	10/29/2021	Plaintiff(1)
NOTE: Summons Change Lending, LLC System Generated			
10/28/2021	SUM - Summons	10/29/2021	Plaintiff(1)
NOTE: Summons Ted Ray System Generated			
10/28/2021	SUM - Summons	10/29/2021	Plaintiff(1)
NOTE: Summons Mario De Tomasi System Generated			
10/28/2021	SUM - Summons	10/29/2021	Plaintiff(1)
NOTE: Summons Steven Sugarman System Generated			
10/28/2021	SUM - Summons	10/29/2021	Plaintiff(1)
NOTE: Summons Marlette Owen System Generated			
10/28/2021	SUM - Summons	10/29/2021	Plaintiff(1)
NOTE: Summons Chris Fremott System Generated			
10/28/2021	SUM - Summons	10/29/2021	Plaintiff(1)
NOTE: Summons Mattie Teskey System Generated			

Case Calendar

There are no calendar events on file

Judgments

There are no judgments on file

EXHIBIT B

1 D. Sidney Potter
2 (Attorney TBD)
3 P.O. Box 287
4 Pasadena, CA 91102
5 (818) 771-7710 telephone
6 (818) 924-0404 facsimile
7 dsidneypotter@pottrequities.com

8 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
9 IN AND FOR THE COUNTY OF MARICOPA

10
11 Potter Equities,

12 Plaintiff

13 **COMPLAINT AND JURY DEMAND**

14 vs.

Maricopa County

Case No. CV2021-016849

15
16 Change Lending, LLC (DBA:
17 Commerce Home Mortgage Wholesale),
18 Ted Ray, Mario De Tomasi,
19 Steven Sugarman, Marlette Owen,
20 Chris Freemott, Mattie Teskey

21 Defendants

22 **CAUSES OF ACTIONS:**

23 **COUNT 1: FIRST CAUSE OF ACTION (Wrongful Termination in Violation of Public
24 Policy Against All Defendants)**

25 **COUNT 2: SECOND CAUSE OF ACTION (Breach of Contract Against All Defendants)**

26 **COUNT 3: THIRD CAUSE OF ACTION (Age Discrimination)**

27 **COUNT 4: FOURTH CAUSE OF ACTION (Violation of Arizona Whistleblower Act)**

28 **COUNT 5: FIFTH CAUSE OF ACTION (Violation of The Consumer Financial Protection
Act)**

**COUNT 6: SIXTH CAUSE OF ACTION (Violation of Consent Order from The
Department of Business Oversight of the State of California)**

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***** False Claims Act & Qui Tam *****

Notice is hereby given that Plaintiff reserves the right to further his claim against said Defendants in the False Claims Act and Que Tam. The absence of such claim in this subject litigation does not preclude Plaintiff from exercising such right. False Claims Act is 31 U.S.C. Sections 3729-3733

1 Plaintiff D. Sidney Potter alleges as follows:

2 **THE NATURE OF THE ACTION**

3 1. The case involves the wrongful termination of D. Sidney Potter by Change
4 Lending, LCC, (herein known as CHANGE LENDING), a mortgage lender that is regionally
5 based in Atlanta, GA (as the registered location). The employee, D. Sidney Potter (herein known
6 as Potter), who would be entitled to different protections as a contractor, was hired and started as
7 an employee with CHANGE LENDING on July 26, 2021 from their Arizona office at 2198 East
8 Camelback Road, Suite 380, Phoenix, AZ 85016, and was subsequently fired October 15, 2021.
9 Employment was accepted under the business name, Potter Equities, a sole proprietorship owned
10 by D. Sidney Potter, and incorporated in Los Angeles County, with an active Employment
11 Identification Number (EIN), as issued by the Internal Revenue Service. Mr. Potter accepted
12 employment from CHANGE LENDING while in North Carolina, and subsequently worked in
13 North Carolina while under the employ of CHANGE LENDING. Mr. Potter has never been to
14 the offices of CHANGE LENDING in Arizona (See the Exhibits for State of Arizona license for
15 Change Mortgage). For purposes of jurisdiction, Arizona law and statute dominates this case;
16 procedurally and legally, in terms of personal justification and venue, and legal jurisdiction. All
17 counties in Arizona are applicable, since CHANGE LENDING operates in all counties.
18
19
20

21 2. The Plaintiff, D. Sidney Potter, is an experienced mortgage operations consultant
22 who has worked on dozens of projects over a 13-year period for an inordinate number of banks,
23 finance companies, and mortgage analytics firms. Some of the companies include the following:
24 GE Money, IndyMac, Ameriquest, Bank of America, Countrywide, Merrill Lynch, Bank One,
25 Washington Mutual and Wells Fargo. Along with those latter named Fortune 500 companies,
26 Potter has worked with Big Six consulting firms, such as Arthur Andersen, Accenture, Deloitte
27
28

1 & Touché, Cognizant and Ernst & Young. In terms of project locations, they include Boston,
2 Jacksonville, Charlotte, Minneapolis, Dallas, San Francisco, Phoenix, Detroit and Los Angeles.
3 In addition to whom and where Potter has worked, he has primarily been engaged in several
4 capacities when on site as a mortgage operations consultant. Those mortgage operation “hats”
5 include the role of a mortgage underwriter, repurchase analyst, due diligence processor, quality
6 control auditor and as a mortgage analyst. In his various roles, it has been necessary to achieve
7 certification and authorization designations in order to perform certain functions, such as that of
8 an underwriter. Over a 13-year period, it is estimated that Potter has taken hundreds of
9 assessments and continuing education courses at the various banks he has worked during his role
10 as a mortgage operations consultant.
11

12
13 3. The Plaintiff, D. Sidney Potter is a published author and writes for several well-
14 known online periodicals, such as The Huffington Post, CNN (iReports), Politico, Inman and
15 CounterPunch. He is considered a subject matter expert (SME) in the mortgage and real estate
16 industry. Some of his work includes on camera talent for “how to” instruction videos in real
17 estate and mortgages for Demand Studies. In 2011, he was named “Person of the Week” from
18 Mortgage Orb Magazine, in addition to being quoted directly via other online periodicals, and
19 subsequently in 2017, was mentioned as a person to watch in Inman Real Estate magazine for his
20 prowess in real estate and his Jack Kerouac like travels as a journeyman writer.
21

22
23 4. The Plaintiff, D. Sidney Potter, successfully passed the preliminary test cases
24 administrated verbally by CHANGE LENDING precedent to employment. The Defendant,
25 CHANGE LENDING choose to rely on these preliminary assessments to hire Potter as an
26 Underwriter.
27
28

1 5. As a result of CHANGE LENDING's wrongful termination of Potter's
2 employment on October 15, 2021, and despite employment being conveyed as "guaranteed" and
3 continually – unless otherwise stated for the next 5 years as expressed by CHANGE LENDING,
4 the following employees of CHANGE LENDING: Ted Ray, Mario De Tomasi, Steven
5 Sugarman, Marlette Owen, Chris Freemott, and Mattie Teskey, are apart of this legal complaint
6 via the legal theory of Respondeat Superior. It is worth noting that CHANGE LENDING will be
7 sued in a companion lawsuit as a result of the unlawful conduct of additional employees not
8 herein named as Defendants, wherein Potter has suffered serious economic harm as a result of
9 discriminatory treatment and wrongful termination. A default judgment against individually
10 named Defendants will result in reporting to credit reporting agencies: Equifax, Experian and
11 TransUnion. Litigation against mortgage companies is rare for Mr. Potter, but it has occurred.
12 He has prevailed in cases nationwide against Wells Fargo, Accenture Consulting, USAA
13 Mortgage, PNC Bank, Esurance, Washington Mutual Bank, Dollar-Rent-A-Car, the University
14 of Maryland, and the Internal Revenue Service. More recent wins (see Exhibits), include FTI
15 Consulting, Navy Federal, Nationwide Mutual Insurance Company, and Firestone Tires.
16
17
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19 6. In particular, a formal job discrimination complaint with the EEOC will be filed
20 in the Phoenix, Arizona within the next 60 days and be made apart of this compliant.
21

22 7. This lawsuit seeks to redress the harm suffered by Potter and shed light on the
23 discriminatory employment practices that have pervaded CHANGE LENDING throughout
24 Potter's tenure while employed.

25 8. Defendants had no right to terminate Potter's employment at CHANGE
26 LENDING under these circumstances, and Defendants wrongful and tortuous conduct has
27 resulted in damage to Potter in an amount as-of-yet undetermined. More specifically, this
28

lawsuit seeks an as-of-yet undetermined amount of money, although compensatory damages stand at \$575,000, and to force CHANGE LENDING to implement safeguards to prevent financial harm to its customers; in addition, that other non-Whistleblower claims to be substantially punitive in terms of damages and to be determined by a jury of Potter's peers and/or a bench decision by this Court. In terms of Whistleblower damages, refer to the Arizona Whistleblower Act. Also known as the Arizona Employment Protection Act (A.R.S. § 23-1501(A)(3)(C)(ii), and the Consumer Financial Protection Act for compensatory damages and injunctive relief contained herein. In addition, CHANGE LENDING has not fully redressed allegations of predatory lending as to the 'benefit to borrower' criteria as established by The Dodd-Frank Act of 2010.

PARTIES

9. Plaintiff, D. Sidney Potter ("Potter" or "Plaintiff") is, and at all relevant times was, an individual working as a mortgage operations consultant based in California and North Carolina, whilst conducting business under his sole proprietorship entitled Potter Equities. For the work performed for CHANGE LENDING, the Plaintiff was temporally in the State of North Carolina, and maintains ties to California and Arizona. Employment laws in Arizona, California and North Carolina are applicable to the case at hand. The second venue is California, wherein the Plaintiff may file in Los Angeles County. Employment was accepted under the business name, Potter Equities, a sole proprietorship owned by D. Sidney Potter, and incorporated in Los Angeles County, with an active Employment Identification Number (EIN) as issued by the Internal Revenue Service.

10. Plaintiff is informed and believes and based thereon alleges that Defendant, CHANGE LENDING, is, and at all relevant times was, a corporation that conducts business, and

1 is organized and existing under the laws of the State of Arizona, doing business in the County of
2 Maricopa, State of Arizona. CHANGE LENDING is registered with the Arizona Department of
3 Financial Institutions. The company identification is License No. BK-BR-0124271.

4 11. Plaintiff is informed and believes and based thereon alleges that Defendant,
5 CHANGE LENDING, is, and at all relevant times was, a corporation that conducts business, and
6 is organized doing business in the County of Maricopa, State of Arizona. The address of record
7 for CHANGE LENDING is 2198 East Camelback Road, Suite 380, Phoenix, AZ 85016.
8

9 12. Plaintiff is informed and believes, and based thereon alleges, that each Defendant;
10 and the following employees of CHANGE LENDING: Ted Ray, Mario De Tomasi, Steven
11 Sugarman, Marlette Owen, Chris Freemott, and Mattie Teskey, at all times mentioned in this
12 complaint was the agent, employee, partner, joint venturer, co-conspirator, and/or employer of
13 the other Defendants and was at all times herein mentioned acting within the course and scope of
14 that agency, employment, partnership, conspiracy, ownership or joint venture. Plaintiff is further
15 informed and believes, and thereon alleges, that the acts and conduct herein alleged of each
16 Defendant was known to, authorized by and/or ratified by the other Defendants, and each of
17 them.
18
19

20 **JURISDICTION AND VENUE**

21 13. Jurisdiction and venue are proper in this Court because, CHANGE LENDING,
22 incorporated in the State of Arizona, is registered with the Arizona Department of Financial
23 Institutions, 100 N 15th Ave #261, Phoenix, AZ 85007. The company identification is
24 201809410463. The registrant for CHANGE LENDING is Paracorp Incorporated, located at
25 2804 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833.
26
27
28

1 14. The Plaintiff, D. Sidney Potter accepted employment and executed an
2 employment agreement on July 26, 2021 with CHANGE LENDING for the purpose of
3 performing work for CHANGE LENDING, emanating from conversations whilst on the phone
4 in the State of Arizona.

5 15. The amount in controversy in this matter exceeds the sum of \$25,000, exclusive
6 of interest and costs.
7

8 **FACTUAL ALLEGATIONS**

9 16. As noted earlier, the employee, D. Sidney Potter, successfully passed training as
10 verbally administrated by CHANGE LENDING employee Marlette Owen and Mattie Teskey.
11 The employer, CHANGE LENDING, authorized said training.
12

13 17. As a result of the success of the training, Potter was offered a position with
14 CHANGE LENDING.

15 18. Companies enjoy a strong degree of discretion to ‘fire and hire’ mortgage
16 employees at their whim – and do so with an alarming zest. Potter has witnessed this
17 dysfunctional behavior firsthand and understands – however morally and ethically wrong, that
18 there are few if no repercussions for employers who engage in this quasi “white collar” ethnic
19 cleansing. Potter is also cognizantly aware that these very same employers cannot fire an
20 employee based on a charge of wrongful termination and/or discriminatory nature. The
21 Defendants are liable for this breach of American jurisprudence, in that they have skirted the law
22 under the pretext of ending Potter’s assignment under the guise that as an “employee-at-will” he
23 was fireable at any moment, when infact they are guilty of breaking the law by willfully
24 committing an unlawful termination. In part, it is “what they do”.
25
26
27
28

1 19. To be brief, the employee, D. Sidney Potter, had his position eliminated – in part
2 because of a subjective bias in his performance competencies, wherein his competency was at or
3 above the requisite level. A statistical analysis will prove this fact. This is against the law, and
4 as a result, CHANGE LENDING will have to reimburse Potter for his economic loss.

5 20. Furthermore, once legal discovery is commenced by both Plaintiff and Defendant
6 Counsel, the facts will bear that the employee, D. Sidney Potter, had his position eliminated
7 because he notified in writing that there were inconsistency in underwriting standards, that would
8 in part or whole evidence that CHANGE LENDING engaged in unlawful discriminatory lending
9 practices as mandated by the Dodd-Frank Act, ECOA, RESPA and The Truth and Lending Act.
10

11 **EXHAUSTION OF ADMINISTRATIVE REMEDIES**

12 21. Not all wrongful discharge claims are discrimination-based. If an employee is
13 given a contract of employment, either expressly or impliedly and/or verbally, and is terminated
14 before the expiration of, and in violation of, under that contract he or she is entitled to bring a
15 claim for wrongful discharge and breach of employment contract. **As such, the claim brought**
16 **by Plaintiff is not subject to exhaustive remedies, per EEOC, but will be filed within 60**
17 **days.**
18
19

20 22. CHANGE LENDING, a mortgage lender company of approximately 500
21 employees that hires mortgage banking professionals, like the Plaintiff, for mortgage operations
22 work, will try to suggest that the email from CHANGE LENDING, dated October 12, 2021,
23 somehow acts as a release against any and all future claims against CHANGE LENDING. And
24 that the employment agreement signed shortly before the commencement of work on July 26,
25 2021, nullifies any post-employment legal claims, is wholly inaccurate and supercilious. And
26 even if CHANGE LENDING tried to suggest that Potter was precluded from suing them directly
27
28

1 for any and all reasons under the sun, CHANGE LENDING cannot succeed on this frivolous
2 claim and Mickey Mouse assertion. The courts have long frowned upon blanket assertions of
3 unsubstantiated claims and any other similar facsimile or quasi agreement (i.e.,
4 Arbitration/AAA), which are drafted, amended and submitted by employers to employees in a
5 non-arm's length capacity; as an all-inclusive defense and/or an attempt to absolve them of any
6 future litigation. The litigation at hand against all Defendants is predicated upon its own merits,
7 and is not subject to an inapplicable email, letter or agreement, but rather the allegations
8 presented thereon will be subject to the reasoning of the trier of fact, either from the bench or by
9 jury trial, that will adjudicate in part and/or in full on behalf of the aggrieved party, that being the
10 Plaintiff himself.
11

12 **FIRST CAUSE OF ACTION**

13 **(Wrongful Termination in Violation of Public Policy Against All Defendants)**

14
15 23. Plaintiff repeats and re-alleges the allegations of Paragraphs 1 through 22 above,
16 and incorporates those allegations herein by reference.

17
18 24. Potter's employment with CHANGE LENDING was terminated by Defendants in
19 violation of fundamental public policy of the State of Arizona since he was wrongly terminated
20 based on Whistleblowing activity and as a result of his entire test assessments falsely alleged of
21 not being substantially above what other underwriters at this CHANGE LENDING mortgage
22 unit have performed at. This by any other name is discriminatory. Holding the Plaintiff to a
23 higher standard not required by other employees is clearly a violation of Plaintiffs' rights.
24

25 25. As set forth above, the actions and conduct of Defendants were wrongful and in
26 violation of the fundamental principles of the public policy of the State of Arizona, the State of
27
28

1 California, and the State of North Carolina, as reflected in their respective laws objectives and
2 policies.

3 26. More specifically, CHANGE LENDING terminated Potter's employment in
4 violation of important and well-established public policies, as set forth in various state statutes
5 and Constitutional provisions including but not limited to Const. Art. I section 8.
6

7 27. In committing the foregoing acts, CHANGE LENDING is guilty of oppression,
8 fraud, and/or malice under The Arizona Civil Rights Act (A.R.S. §41-1463/Agg), (A.R.S. §12-
9 1810/Harassment), (A.R.S. §23-1502(F)/Constructive Discharge) thereby entitling Potter to
10 punitive damages in a sum appropriate to punish and make an example out of CHANGE
11 LENDING.
12

13 28. As a direct and proximate result of the Defendants' conduct, Potter has suffered
14 general and special damages for, *inter alia*, the loss of the compensation he would have received
15 in connection with continued employment with CHANGE LENDING, in an amount as-yet-to-be
16 determined and according to proof at the time of trial.
17

18 29. Potter is informed and believes and based thereon alleges that the above-described
19 conduct of Defendants was willful and intentional and done with malice, fraud and oppression,
20 and constitutes despicable conduct in conscious and reckless disregard of Potter's rights and
21 interest, such that the conduct warrants the imposition of punitive damages in a sum appropriate
22 to punish Defendants, and each of them, and to deter Defendants from engaging in future similar
23 misconduct, the exact sum subject to proof at the time of trial.
24

25 30. Potter has been damaged in an amount within jurisdictional limits of this Court.
26
27
28

SECOND CAUSE OF ACTION

(Breach of Contract Against All Defendants)

31. Plaintiff repeats and re-alleges the allegations of paragraphs 1 through 22 above, and incorporates those allegations herein by reference.

32. Defendants anticipatorily repudiate and materially breached the Implied Covenant of Good Faith, the implied employment agreement, and the verbal agreement (herein all three elements referred to as Agreement), that Potter accepted before commencing work for the named Defendants to perform the duties of the job.

33. Potter has performed all conditions, covenants and promises required pursuant to the terms of the Agreement, except to the extent such performance was waived executed or prevented by reason of the acts or omissions of Defendants.

34. As a direct and proximate result of the anticipatory and material breach and the conspiratorial conduct by both Defendants as it relates to a breach against all Defendants; wherein each party subverted their fiduciary responsibility to the Plaintiff; and as such Potter has suffered general and special damages for, *inter alia*, the loss of the compensation he would have received in connection with loss of the compensation he would have received in connection with continued employment with CHANGE LENDING, in an amount as-yet-to-be determined and according to proof at the time of trial.

35. Potter is also entitled to an award of his reasonable lawyer's fees and costs pursuant to Arizona Revised Statutes, A.R.S. §12-341.01, and 16 A.R.S. Rules of Civil Procedure, Rule 54, wherein Potter will reimburse legal representation for this case.

THIRD CAUSE OF ACTION

(Age Discrimination)

36. The Plaintiff has been treated differently than similarly situated employees by Defendants in the terms and conditions of his employment because of his age, and professional responsibilities.

37. Defendants engaged in illegal discrimination against the Plaintiff because of his age, as validated by the hire practices of the CHANGE LENDING.

38. Defendants have engaged in intentional age discrimination in the terms and conditions of the Plaintiff's employment, including, but not limited to, the Plaintiff's termination.

39. Defendants' conduct violates Title VII and The Age Discrimination in Employment Act of 1967.

40. No later than December 1st, 2021, the Plaintiff will have filed a timely Charge of Discrimination against CHANGE LENDING, alleging age discrimination with the Equal Employment Opportunity Commission ("EEOC"). A true and accurate copy of the EEOC Charge of Discrimination Inquiry Number XXX-2021-XXXXXX will be attached to an amended complaint and will be filed at the EEOC office at 3300 N Central Ave # 690, Phoenix, AZ 85012. Per the EEOC requirements, the Plaintiff will submit a signed statement to the EEOC asserting that an organization engaged in employment discrimination, thus preempting a formal in-person or phone interview with EEOC.

41. As of and no later than December 15th, 2021, the Plaintiff will file a timely Charge of Discrimination against CHANGE LENDING alleging any additional charges as deemed necessary after conferring with legal counsel, with the Equal Employment Opportunity Commission ("EEOC"). A true and accurate copy of the EEOC Charge of Discrimination Inquiry Number XXX-2021-XXXXXX, will be attached to an amended complaint and will be

1 filed at the EEOC Los Angeles office, located at 255 E Temple St, Los Angeles, CA 90012. Per
 2 the EEOC requirements, the Plaintiff will submit a signed statement to the EEOC asserting that
 3 an organization engaged in employment discrimination, thus preempting a formal in-person or
 4 phone interview with EEOC.

5 42. The Plaintiff will have satisfied all statutory prerequisites for filing this action.

6 43. Defendants' discriminatory conduct, in violation of Title VII and The Age
 7 Discrimination in Employment Act of 1967, has caused the Plaintiff to suffer a loss of pay,
 8 benefits, and prestige.
 9

10 44. Defendants' actions have caused Plaintiff to suffer mental and emotional distress,
 11 entitling him to compensatory damages pursuant to 42 U.S.C. § 1981a.
 12

13 45. Defendants have engaged in discriminatory practices with malice and reckless
 14 indifference to the Plaintiff's federally protected rights, thereby entitling him to punitive
 15 damages pursuant to 42 U.S.C. § 1981a, with a true and accurate copy of the both EEOC
 16 Charges of Discrimination. Notwithstanding the EEOC filing, Plaintiff still asserts his rights in
 17 this case in that a federal question is at hand for the Court to determine.
 18

19 **FOURTH CAUSE OF ACTION**

20 **(Violation of Arizona's Whistleblower Act, per A.R.S. § 23-1501(A)(3)(C)(ii))**

21 46. The Arizona Employment Protection Act, prohibits private-sector employers from
 22 retaliating against employees who report employers' legal violations to authorities or who refuse
 23 to participate in violations of the law. To prove a prima facie case under the AWA, the plaintiff
 24 must establish that:
 25

- 26 1. he or she engaged in statutorily protected expression;
- 27 2. he or she suffered an adverse employment action; and
- 28

3. the adverse employment action was causally linked to the protected activity.

Confusion as to what employees need to show to claim protection under the AWA has persisted since 2015, when a Arizona appellate court, unlike another court, held that the employee must show an actual violation of the law. *Kearns v. Farmer Acquisition Co. d/b/a Charlotte Honda*, 157 So.3d 458 (Az. 2d DCA 2015). Another Arizona appellate court had held two years earlier that an employee need only show that he or she had a good-faith belief a violation occurred when claiming protection under the law. *Aery v. Wallace Lincoln-Mercury, LLC*, 118 So. 3d 904, 916 (Az. 4th DCA 2013).

47. Since *Aery*, Arizona's federal district courts have adopted the good-faith belief standard, concluding that *Kearns* did not directly conflict with *Aery*, and that *Aery* was the law of the state. Under the good-faith belief standard, if an employee refuses to engage in an activity at work because he or she *mistakenly believed* the activity is illegal, the employee likely will enjoy whistleblower protections from any adverse employment action arising out of not performing his or her job. Critics argue that this frustrates Arizona's status as an at-will employment state.

FIFTH CAUSE OF ACTION

(Violation of the Consumer Financial Protection Act, per Title X of the Dodd-Frank Act)

48. The anti-retaliation provision of the Consumer Financial Protection Act (CFPA) provides a cause of action for corporate whistleblowers who suffer retaliation for raising concerns about potential violations of rules or regulations of the Consumer Financial Protection Bureau. In addition, the CFPA whistleblower law proscribes a broad range of adverse employment actions, including terminating, "intimidating, threatening, restraining, coercing, blacklisting or disciplining, any covered employee or any authorized representative of covered employees" because of the employee's protected whistleblowing.

SIXTH CAUSE OF ACTION**(Violation of Consent Order from The Department of Business Oversight of the State of California)**

49. Per the Consent Order with The Department of Business Oversight of the State of California, dated December 19, 2019, Commerce Home Mortgage, LLC, a subsidiary of Change Lending, LCC, (DBA: Commerce Home Mortgage Wholesale), the Defendant has failed to act in the best interest of its employees, to whom it owes a fiduciary responsibility to, and under its stewardship employees faithfully duties on its behalf. More particularly, the Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of lending and/or servicing residential mortgage loans pursuant to the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.), including mortgage loan originators, underwriters, processors, support staff and all other related employees engaged in the origination of loans. By failure of CHANGE LENDING to inform the Plaintiff of said Consent Order, the Plaintiff has been involuntary exposed to reputation risk and possible future loss of employment, given that a breach of the Consent Order imperils employability in the financial services industry. Exhibits contained herein titled Consent Order, entail such obligation.

PRAYER FOR RELIEF

50. For general damages, according to proof on each cause of action for which such damages are available.

51. For special damages, according to proof on each cause of action for which such damages are available.

52. For compensatory damages, according to proof on each cause of action for which such damages are available. No less than \$575,000, which equates to \$115,000 per annum salary.

53. For punitive damages, according to proof on each cause of action for which such damages are available.

54. For declaratory and injunctive relief as appropriate.

55 For reasonable lawyer fees incurred in this action, should the Plaintiff hire a
lawyer to handle this litigation.

56. As proscribed by law per under the Arizona’s Whistleblower Act for compensatory damages, that include and not limited for emotional distress and mental anguish (Aery, 118 So.3d at 914-15), (Az. Stat. s. 448.103[2]).

57. As proscribed by law per under the Consumer Financial Protection Act, a violation results in Defendant liable for punitive, compensatory or special damages, in addition to reinstatement, back pay and front pay in lieu of reinstatement to the Plaintiff. (See §1057. EMPLOYEE PROTECTION of the Consumer Financial Protection Act of 2010).

58. As proscribed by law per under the Consumer Financial Protection Act, an award of 10% to 30% of the sanctions collected from subject financial institution.

DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38 and Arizona Jurisdiction (Ariz. R. Civ. P. 38), Potter hereby demands a jury trial on all issues so triable.

Dated: this 22nd, October 2021.

Respectively Submitted,

/ D. Sidney Potter /

D. Sidney Potter
(Attorney TBD)
P.O. Box 287
Pasadena, CA 91102
(818) 771-7710 telephone
(818) 924-0404 facsimile
dsidneypotter@pottrequities.com

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd of October 2021, a copy of the foregoing was sent via first class mail to:

Defendant Addresses:

Change Lending, LLC (DBA: Commerce Home Mortgage Wholesale)
16845 Von Karman Avenue, Suite 200
Irvine, CA 92606

Ted Ray
President of Change Home Mortgage
16845 Von Karman Avenue, Suite 200
Irvine, CA 92606
Interested Parties: Excelerate Capital.

Mario Patrick De Tomasi
CEO of Change Lending / President of The Change Company
3938 Canyon Road
Lafayette, CA 94549
Interested Parties: Simar Holdings Corp.
Spouse: Lia De Tomasi
CA Broker License: #01454053

Steven Alan Sugarman
Founder of The Change Company
508 Ocampo Drive
Pacific Palisades, CA 90272
Interested Parties: Los Angeles Team Mentoring (LATM), Michelman & Robinson, LLP, Antonio Villaraigosa.
Spouse: Ainslie Mackey Sugarman (CA State Bar License #220316).
CA Broker License: #01356635
CA State Bar Law License: #220315

Marllette Owen
3680 E Powell Place
Chandler, AZ 85249
Interested Parties: Reids Ranch Homeowners Association, Arizona Community Management Services HOA,
Landing at Reids Ranch Homeowners Association.
Spouse: Jeffery S. Owen
AKA: Sandra Marllette Owen, Sandra Marlette Ellsworth

Chris Fremott
2374 Keim Road
Naperville, IL 60565
Interested Parties: Changing Alpha? Unison Home Investors? Midwest Equity Mortgage, First Choice Bank?
Spouse: Jeanene Marie Rollins
AKA: Christopher John Freemott

Mattie Teskey
8507 E Shetland Trail
Scottsdale, AZ 85258
Interested Parties: Goldwater Bank, Weststar Mortgage, Sheryl Rose (Blackfin Group), Los Ojos De La Familia
Arizona Board of Directors, Fifty-Six Palms Homeowners Association.
Spouse: Tasha Raschelle Teskey
AKA: Matthew Teskey, Mattie Mikey Telsa

EXHIBITS

To be notified upon Pre-Trial Conference, but no later than Trial:

*California Department of Business Oversight: (41DBO-415-0083)

*Nationwide Mortgage Licensing System (NMLS), 2101 Arena Blvd., Sacramento, CA 95834 (License No. NMLS #1766777 for AZ) (License No. NMLS #1839 for CA)

*Department of Financial Protection and Innovation under the California Residential Mortgage Lending Act, License #4150083 and the California Financing Law, License #60DBO74388.

*Arizona Department of Financial Institutions (License No. BK-BR-0124271)

Departure Notice

From: Sidney Potter (sidney.potter@commercemtg.com)

To: Adam.Levine@changellc.com; blake.brooks@changellc.com; jbiegel@changemtg.com; jolsen@changemtg.com; amiranda@changemtg.com; tray@changemtg.com; mario@changemtg.com; sugarman@changemirandellc.com; sas@sugarmaninc.com

Cc: Bonnie.Maldonado-Beasley@ChangeWholesale.com; Camillo.Iannaccone@ChangeWholesale.com; Christopher.Avera@ChangeWholesale.com; Dana.Ormsby@ChangeWholesale.com; Debra.Disano@ChangeWholesale.com; Eric.Sanchez@ChangeWholesale.com; Heather.Donaldson@ChangeWholesale.com; Jamie.Noonan-Silva@ChangeWholesale.com; Janille.Dimaguipo@ChangeWholesale.com; Jennifer.Robinson@ChangeWholesale.com; Jessica.Waller@ChangeWholesale.com; Joann.Gehen@ChangeWholesale.com; Jonathan.Traynham@commercemtg.com; Judy.Ogden@ChangeWholesale.com; Karen.Frank@ChangeWholesale.com; Karin.Olaya@ChangeWholesale.com; Kevin.Thomas@ChangeWholesale.com; Kimberley.Cuevas@ChangeWholesale.com; Kindra.Lewis@ChangeWholesale.com; Lisa.Lonczak@ChangeWholesale.com; MaDonna.Samuel@ChangeWholesale.com; Marie.Wilson@ChangeWholesale.com; Mark.Ram@commercemtg.com; Mary.Artin@ChangeWholesale.com; Morgan.Barton@ChangeWholesale.com; Noreen.Johnson@ChangeWholesale.com; Renee.Martin@ChangeWholesale.com; Shonte.Matthews@ChangeWholesale.com; Sidney.Potter@commercemtg.com; Teena.Freese@ChangeWholesale.com; Vanessa.Pate@ChangeWholesale.com; Kelvin.Buckner@ChangeWholesale.com; Richard.Harris@ChangeWholesale.com; Ronald.Ineman@ChangeWholesale.com; Antoinette.Dent@ChangeWholesale.com; Caroline.Garcia@ChangeWholesale.com; Carolyn.Smith@ChangeWholesale.com; Christina.Ramirez@changewholesale.com; Eileen.SvecHugo@ChangeWholesale.com; Erisha.Taylor@ChangeWholesale.com; Gwendolyn.Bridges@ChangeWholesale.com; Jocelyn.Gonzalez@ChangeWholesale.com; Joya.Lewis@commercemtg.com; Juelle.Jalilian@ChangeWholesale.com; Marcia.Harris@changewholesale.com; dsidneypotter@potterequities.com

Date: Tuesday, October 12, 2021, 03:00 PM EDT

Chris Freemott -

This is not going to work out. Like most everyone else apart of the underwriter unit at Change Mortgage, I have very little respect for Marlette Owen and delusional oddballs and make many people uncomfortable). Extremely unprofessional, and especially so when Mrs. Owen is seated down and wears a Microsoft Teams morning conference call. It was like watching some porkulent/chubby entertainment commentator on TMZ or Telemundo. Disturbing calls, most in attendance (35 to 40 people), don't even respond with a hello to both of these people. Go ahead and make the termination, since the legal my lawyer has finished the first draft. As a quick alternative and a form of settlement mediation, ask your supervisor to provide a severance package of other fulltime employers.

Thank you much and no hard feelings. In fact, I look forward to the litigation ----- and to look up your LinkedIn profiles 6 months later. Not sure if Change defense ----- given you and Mattie are newbie employees, but you should check into that? Go on Lexis-Nexis to verify my nationwide 18-year litigation I up, as soon as the termination is received by email, I will log-off the platform and cease to underwrite files. You seem like a very accomplished professional; chat comments are crude, indelicate and borderline toilet humor (i.e., excessive drinking, carousing, violence, sexual innuendo and conquests). Half of reference on your resume do not exist, are duplicate companies and/or deadlinks on the internet? Super embarrassed I choose to work for this company.

D. Sidney Potter

818-298-4388

PS: The most mortifying moment was when Mattie raised his voice at me (almost yelled), and declared he was apart of the Executive leadership team and request to immediately jump on a conference call to see me physically, he would have grounds for a write-up, since I refused a direct order? At that moment unusual for anyone to approach me with that degree of disrespect. I was impressed. Upon my assistance however, it proceeded as a regular non-video bait cesspool. Not for me.

Person/Attorney Filing: D. Sidney Potter
 Mailing Address: P.O. Box 287
 City, State, Zip Code: Pasadena CA 91102
 Phone Number: 818-298-4388
 E-Mail Address: dsidneypotter@potterequities.com
 [REDACTED] Attorney
 [REDACTED] State Bar Number:

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
 IN AND FOR THE COUNTY OF Maricopa

Potter Equities
 Plaintiff(s),

v.

Change Lending, LLC et al
 Defendant(s).

Case No.

SUMMONS

To: Change Lending, LLC

WARNING: THIS AN OFFICIAL DOCUMENT FROM THE COURT THAT AFFECTS YOUR RIGHTS. READ THIS SUMMONS CAREFULLY. IF YOU DO NOT UNDERSTAND IT, CONTACT AN ATTORNEY FOR LEGAL ADVICE.

1. A lawsuit has been filed against you. A copy of the lawsuit and other court papers were served on you with this Summons.
2. If you do not want a judgment taken against you without your input, you must file an Answer in writing with the Court, and you must pay the required filing fee. To file your Answer, take or send the papers to Clerk of the Superior Court, 201 W Jefferson St Phoenix AZ 85003 or electronically file your Answer through one of Arizona's approved electronic filing systems at <http://www.azcourts.gov/cfilinginformation>. Mail a copy of the Answer to the other party, the Plaintiff, at the address listed on the top of this Summons.
 Note: If you do not file electronically you will not have electronic access to the documents in this case.
3. If this Summons and the other court papers were served on you within the State of Arizona, your Answer must be filed within TWENTY (20) CALENDAR DAYS from the date of service, not counting the day of service. If this Summons and the other court papers were served on you outside the State of Arizona, your Answer must be filed within THIRTY (30) CALENDAR DAYS from the date of service, not counting the day of service.

Requests for reasonable accommodation for persons with disabilities must be made to

1 D. Sidney Potter
 2 (Attorney TBD)

3 [REDACTED]
 4 [REDACTED]
 5 [REDACTED]

6
 7
 8 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
 9 IN AND FOR THE COUNTY OF MARICOPA

10
 11 Potter Equities,

12 Plaintiff

13 vs.

COMPLAINT AND JURY DEMAND

Maricopa County

Case No. _____

14
 15
 16 Change Lending, LLC (DBA:
 17 Commerce Home Mortgage Wholesale),
 18 Ted Ray, Mario De Tomasi,
 19 Steven Sugarman, Marillette Owen, |
 20 Chris Freemott, Mattie Teskey

Defendants

CAUSES OF ACTIONS:

- COUNT 1: FIRST CAUSE OF ACTION (Wrongful Termination in Violation of Public Policy Against All Defendants)
 COUNT 2: SECOND CAUSE OF ACTION (Breach of Contract Against All Defendants)
 COUNT 3: THIRD CAUSE OF ACTION (Age Discrimination)
 COUNT 4: FOURTH CAUSE OF ACTION (Violation of Arizona Whistleblower Act)
 COUNT 5: FIFTH CAUSE OF ACTION (Violation of The Consumer Financial Protection Act)
 COUNT 6: SIXTH CAUSE OF ACTION (Violation of Consent Order from The Department of Business Oversight of the State of California)

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CERTIFICATE OF SERVICE

I hereby certify that on this [REDACTED], a copy of the foregoing was sent via first class mail to:

Defendant Addresses:

Change Lending, LLC (DBA: Commerce Home Mortgage Wholesale)

16845 Von Karman Avenue, Suite 200

Irvine, CA 92606

Ted Ray

President of Change Home Mortgage

16845 Von Karman Avenue, Suite 200

Irvine, CA 92606

Interested Parties: Excelerate Capital.

Mario Patrick De Tomasi

CEO of Change Lending / President of The Change Company

3938 Canyon Road

Lafayette, CA 94549

Interested Parties: Simar Holdings Corp.

Spouse: Lia De Tomasi

CA Broker License: #01454053

Steven Alan Sugarman

Founder of The Change Company

508 Ocampo Drive

Pacific Palisades, CA 90272

Interested Parties: Los Angeles Team Mentoring (LATM), Michelman & Robinson, LLP, Antonio Villaraigosa.

Spouse: Ainslie Mackey Sugarman (CA State Bar License #220316).

CA Broker License: #01356635

CA State Bar Law License: #220315

Marillette Owen

3680 E Powell Place

Chandler, AZ 85249

Interested Parties: Reids Ranch Homeowners Association, Arizona Community Management Services HOA,

Landing at Reids Ranch Homeowners Association.

Spouse: Jeffery S. Owen

AKA: Sandra Marillette Owen, Sandra Marlette Ellsworth

Chris Fremott

2374 Keim Road

Naperville, IL 60565

Interested Parties: Changing Alpha? Unison Home Investors? Midwest Equity Mortgage, First Choice Bank?

Spouse: Jeanene Marie Rollins

AKA: Christopher John Freemott

Mattie Teskey

8507 E Shetland Trail

Scottsdale, AZ 85258

Interested Parties: Goldwater Bank, Weststar Mortgage, Sheryl Rose (Blackfin Group), Los Ojos De La Familia




Arizona Board of Directors, Fifty-Six Palms Homeowners Association.

Spouse: Tasha Raschelle Teskey

AKA: Matthew Teskey, Mattie Mikey Telsa

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Potter Equities vs. Change Lending, LLC, et al.

Court Location	General Case Category	Case Number	Case Detail	EFSP Filing ID	Delete/Copy/Update	Payment Au
Maricopa County Superior Court	Civil		Potter Equities vs Change Lending, LLC et al	1304710	  	N/A

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Sidney Potter

Underwriter

16845 Von Karman Ave, Suite 200
Irvine, CA 92606

phone: 949-255-6065

Sidney.Potter@commercemtg.com

Click here for [Quick Pricer](#)

Change
WHOLESALE



NMLS 1839



Re: Steven Sugarman / Change Mortgage

From: Sidney Potter (dsidneypotter@yahoo.com)

To: smichelman@mrlip.com; mrobinson@mrlip.com; dkravetz@mrlip.com

Cc: jgiardino@mrlip.com; rcamhi@mrlip.com; mhanna@mrlip.com; sdarmstadter@mrlip.com; jjensen@mrlip.com; vlambrechts@mrlip.com; selzarka@mrlip.com; plocker@mrlip.com; evaisbort@mrlip.com

Date: Friday, October 22, 2021, 03:30 PM EDT

On Friday, October 22, 2021, 11:09:49 AM EDT, Sidney Potter <dsidneypotter@yahoo.com> wrote:

Gentlemen -

One of your employees, Steven Sugarman, has breached his obligation to make payment to a former employee. As evidenced by the email thread below from paycomonline at Change Mortgage, a scheduled direct deposit was interrupted and cancelled yesterday? As you are aware, it is against the law not to pay wages in California. Below is a link to show it is a violation. Kindly nudge Stevie to rectify this breach IMMEDIATELY. If there is a failure to pay, then a compliant will be filed with the Franchise Tax Board of California and the California State Bar, in addition to me notifying my business writer friends at the *Los Angeles Times* and *Orange County Register*. You should also be aware that there is pending litigation against Change Mortgage in Arizona, Maricopa County. This should have been disclosed to your firm last week. Hope he did not forget!

D. Sidney Potter
818-298-4388

<https://www.shouselaw.com/ca/labor/wage-and-hour/final-wages/>

Labor Code 202 LC — Payment of wages upon quitting. ("(a) If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.")

On Thursday, October 21, 2021, 02:09:12 PM EDT, <systemmessage@paycomonline.com> wrote:

NOTICE: This is an alert to inform you that your payroll direct deposit account information has been changed. If you did not authorize this change, please contact your Human Resources department immediately. If you did authorize this change, no action is necessary.

**az.gov**
STATE OF ARIZONA**E-LICENSING****LICENSE SEARCH CONTRACTOR SEARCH FILE A COMPLAINT**

Change Lending, LLC, Phoenix, AZ Branch

The search results for the license holder are listed to the right.

Click the following link for license status descriptions:
[License Status Legend](#)

Current Date and Time

10/02/2021 16:37:27 MST

Street

City

State

Zip Code

2198 East Camelback Road Phoenix AZ 85016

Phone

925-275-6844

Board

Arizona Department of Financial Institutions

License Number

License Type

BK-BR-0124271

Mortgage Banker

Issue Date

Expiration Date

07/18/2018

12/31/2021

Status

Sub Status

Active

Discipline



SUPPORT

REGISTRATION GUIDE

PRIVACY NOTICE

WWW.AZ.GOV



Secretary of State
Amendment to Articles of
Organization of a
Limited Liability Company (LLC)

LLC-2

IMPORTANT — Read Instructions before completing this

form. Filing Fee - \$30.00

Copy Fees - First page \$1.00; each attachment page \$0.50;
 Certification Fee - \$5.00

Note: You must file a Statement of Information (Form LLC-12), to change the business address(es) of the LLC or to change the name or address of the LLC's manager(s) and/or agent for service of process, which can be filed online at llcbizfile.sos.ca.gov/SI.

FILED
 Secretary of State
 State of California

FEB 03 2021

1CC Above Space For Office Use Only

1. LLC Exact Name (Enter the exact name on file with the California Secretary of State.)

Commerce Home Mortgage, LLC

2. LLC 12-Digit Entity (File) Number (Enter the exact 12-digit Entity (File) Number issued by the California Secretary of State.)

2	0	1	8	0	9	4	1	0	4	6	3
---	---	---	---	---	---	---	---	---	---	---	---

3. New LLC Name (If Amending) (See Instructions – List the proposed LLC name exactly as it is to appear on the records of the California Secretary of State. The name must contain an LLC identifier such as LLC or L.L.C. "LLC" will be added, if not included.)

Change Lending, LLC

4. Management (If Amending) (Select only one box)

The LLC will be managed by:

☐

One Manager

☐

More than One Manager

☐

All LLC Member(s)

5. Purpose Statement (Do not alter Purpose Statement.)

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

6. Additional Amendment(s) set forth on attached pages, if any, are incorporated herein by reference and made part of this Form LLC-2. (All attachments should be 8½ x 11, one-sided, legible and clearly marked as an attachment to this form LLC-2.)

Signature

By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

Sign here

Thedora Nickel

Print your name here

MARY ANN SMITH
Deputy Commissioner
SEAN M. ROONEY
Assistant Chief Counsel
UCHE ENENWALI (SBN: 235832)
Senior Corporations Counsel
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013
Telephone: (213) 576-7586
Facsimile: (213) 576-7181

Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	CRMLA LICENSE NO. 415-0083
)	
THE COMMISSIONER OF BUSINESS)	CONSENT ORDER
OVERSIGHT,)	
)	
Complainant,)	
v.)	
)	
COMMERCE HOME MORTGAGE LLC,)	
)	
Respondent.)	

This Consent Order is entered into between the Commissioner of Business Oversight (Commissioner) on the one hand and Commerce Home Mortgage LLC, (CHM), successor in interest to Commerce Home Mortgage, Inc. (CHM, Inc.) on the other (the Parties), and is made with respect to the following:

I.

Recitals

A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of lending and/or servicing residential mortgage loans pursuant to the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.), including

1 mortgage loan originators.

2 B. CHM represents that on April 30, 2018 (CHM, Inc. Purchase Date), CHM, Inc. was
3 acquired by The Capital Corps. (TCC) pursuant to the terms of a change in control agreement, and
4 was thereafter recapitalized and reorganized as Commerce Home Mortgage, LLC, a wholly-owned
5 operating subsidiary of TCC. CHM further represents that in connection with the reorganization of
6 CHM, Inc., TCC caused the company to replace its senior management team.

7 C. CHM is a California corporation located at 16845 Von Karman Avenue, Suite 200
8 Irvine, California 92606.

9 D. On or about November 6, 2018, CHM changed its name from Commerce Home
10 Mortgage, Inc. to Commerce Home Mortgage, LLC.

11 E. CHM, as successor in interest to CHM, Inc., is a residential mortgage lender and
12 loan servicer licensed by the DBO since February 14, 2013, with the CRMLA license no. 415-0083.
13 CHM is also licensed by the Commissioner as a finance lender and broker since October 18, 2017,
14 pursuant to the California Finance Lenders Law (CFL) (Fin. Code §22000 et seq.), under the
15 CFL license no. 60DBO74388.

16 F. Ted Ray became the President of CHM subsequent to the CHM, Inc. Purchase Date
17 and as such, is authorized to enter into this Consent Order on behalf of CHM.

18 G. During a regulatory examination of CHM, Inc. conducted in September 2014, and a
19 second examination conducted in July 2018, the Commissioner discovered that on or prior to the
20 CHM, Inc. Purchase Date, CHM, Inc.: (i) failed to reconcile its escrow liability ledgers to its trust
21 bank account at least once each month in violation of California Code of Regulations (CCR) section
22 1950.314.1.; (ii) failed to include the required statement "Licensed by the Department of Business
23 Oversight under the California Residential Mortgage Lending Act" in its advertisement material, in
24 violation of California Code of Regulations section 1950.204.3.; (iii) CHM provided borrowers
25 California Financing law disclosures in loans made under the CRMLA, in violation of California
26 Financial Code section 50314; and (iv) provided Fair Lending Notices which did not disclose the
27 Department of Business Oversight as the contact agency to borrowers, in violation of California
28 Health and Safety Code 35830.

H. On or about October 11, 2018, the Department of Business Oversight issued a Report of Examination to CHM for the regulatory examination commenced in July 2018 setting forth the violations described herein in paragraph G (i)-(iv).

I. CHM has submitted information and documentation to the Commissioner evidencing that the above findings, which findings were made in respect of the period prior to the CHM, Inc. Purchase Date, were either not violations or have been resolved. CHM agrees to the entry of this Consent Order as a resolution of this matter without the need to initiate litigation.

J. The Commissioner finds this Consent Order is appropriate, in the public interest and consistent with the purposes fairly intended by the policy and provisions of the CRMLA.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the parties agree as follows:

II.

Terms and Conditions

1. Purpose. This Consent Order resolves the issues before the Commissioner, including findings of the July 2018 regulatory examination of CHM set forth in paragraph G, above in a manner that avoids the expense of a hearing and other possible court proceedings, protects consumers, is in the public interest, and is consistent with the purposes and provisions of the CFLL.

2. Finality of Consent Order. CHM agrees to comply with this Consent Order and stipulates this Consent Order is hereby deemed final.

3. Order to Discontinue Violations. CHM hereby agrees that in accordance with Financial Code section 50321, it will immediately discontinue the violations set forth herein.

4. Administrative Penalty. CHM shall pay a penalty to the Commissioner in the amount of \$43,000.00, which shall be due and payable on the effective date of this Consent Order, as such date is defined in Paragraph 21. The penalty must be made payable in the form of a cashier's check or Automated Clearing House deposit to the Department of Business Oversight and transmitted to the attention of Accounting – Litigation, at the Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment must be

1 concurrently sent to Uche Enenwali, Senior Counsel, Department of Business Oversight, 320 W.
2 Fourth Street, Suite 750, Los Angeles, California 90013.

3 5. Waiver of Hearing Rights. CHM acknowledges the Commissioner is ready, willing,
4 and able to proceed with the filing of an administrative enforcement action on the charges contained
5 in this Consent Order. CHM hereby waives the right to any hearings, and to any reconsideration,
6 appeal, or other right to review which may be afforded pursuant to the CFLL, the California
7 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of
8 law. CHM further expressly waives any requirement for the filing of an Accusation pursuant to
9 Government Code section 11415.60, subdivision (b). By waiving such rights, CHM effectively
10 consents to this Consent Order and Order to Discontinue Violations becoming final.

11 6. Failure to Comply with Consent Order. CHM agrees that if it fails to comply with
12 the terms of this Consent Order, the Commissioner may, in addition to all other available remedies
13 it may invoke under the CRMLA and CFLL, summarily suspend/revoke the CRMLA and CFLL
14 licenses of CHM until CHM is in compliance. CHM waives any notice and hearing rights to
15 contest such summary suspensions which may be afforded under the CRMLA and CFLL, the
16 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
17 provision of law in connection therewith.

18 7. Information Willfully Withheld or Misrepresented. This Consent Order may be
19 revoked, and the Commissioner may pursue any and all remedies available under law against CHM
20 if the Commissioner discovers that CHM knowingly or willfully withheld or misrepresented
21 information used for and relied upon in this Consent Order.

22 8. Future Actions by Commissioner. If CHM fails to comply with any terms of the
23 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
24 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
25 against CHM, or any of its partners, owners, officers, shareholders, directors, employees or
26 successors for any and all unknown violations of the CFLL.

27 9. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
28 ability to assist a government agency (whether city, county, state, or federal) with any

1 administrative, civil or criminal action brought by that agency against CHM or any other person
2 based upon any of the activities alleged in this matter or otherwise.

3 10. Headings. The headings to the paragraphs of this Consent Order are inserted for
4 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
5 the provisions hereof.

6 11. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
7 interest.

8 12. Reliance. Each of the parties represents, warrants, and agrees that in executing this
9 Consent Order it has relied solely on the statements set forth herein and the advice of its own
10 counsel. Each of the parties further represents, warrants, and agrees that in executing this Consent
11 Order it has placed no reliance on any statement, representation, or promise of any other party, or
12 any other person or entity not expressly set forth herein, or upon the failure of any party or any
13 other person or entity to make any statement, representation or disclosure of anything whatsoever.
14 The parties have included this clause: (1) to preclude any claim that any party was in any way
15 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
16 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

17 13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
18 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
19 parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any other
20 provision. No waiver by either party of any breach of, or of compliance with, any condition or
21 provision of this Consent Order by the other party will be considered a waiver of any other
22 condition or provision or of the same condition or provision at another time.

23 14. Full Integration. This Consent Order is the final written expression and the complete
24 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
25 between the parties with respect to the subject matter hereof, and supersedes all prior or
26 contemporaneous agreements, negotiations, representations, understandings, and discussions
27 between and among the parties, their respective representatives, and any other person or entity, with
28 respect to the subject matter covered hereby.

1 15. Governing Law. This Consent Order will be governed by and construed in
2 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court,
3 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an
4 inconvenient forum to the maintenance of such action or proceeding in such court.

5 16. Counterparts. This Consent Order may be executed in one or more separate
6 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
7 together constitute a single document.

8 17. Effect Upon Future Proceedings. If Respondents apply for any license, permit or
9 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
10 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
11 admitted for the purpose of such application(s) or enforcement proceedings(s).

12 18. Voluntary Agreement. CHM enters into this Consent Order voluntarily and without
13 coercion and acknowledges that no promises, threats or assurances have been made by the
14 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
15 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
16 without any duress or undue influence of any kind from any source.

17 19. Notice. Any notice required under this Consent Order be provided to each party at
18 the following addresses:

19 To CMH: Angie Miranda
20 Chief Risk Officer
21 Commerce Home Mortgage, Inc.
22 16845 Von Karman Avenue, Suite 200
23 Irvine, California 92606
 Tel: 949-629-3567 | fax 949-423-3029
 amiranda@commercemtg.com

24 To the Commissioner: Uche L. Enenwali, Esq.
25 Senior Counsel
26 Department of Business Oversight
27 320 W. 4th Street, Suite 750
28 Los Angeles, California 90013-2344
 Tel: 213-576-7586 | fax 213-576-7181
 Uche.enenwali@dbo.ca.gov

20. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

20. Public Record. CHM hereby acknowledges that this Consent Order is and will be a matter of public record.

21. Effective Date. This Consent Order shall become final and effective when signed by all parties and delivered by the Commissioner's agent via e-mail to CHM amiranda@commercemtg.com.

22. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order and undertake the obligations set forth herein.

23. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it has received independent advice from its attorney(s) and/or representatives with respect to the advisability of executing this Consent Order.

24. Opportunity to Cure. In the event CHM fails to comply with the terms of this Consent Order, the Commissioner, in his sole discretion, may give CHM written notice of such breach (Notice) and the opportunity to cure the breach (Cure). The Cure must be completed to the satisfaction of the Commissioner within five business days after the day the Notice has been sent via email to CHM at amiranda@commercemtg.com, unless another date for receipt of Cure is agreed to in writing by the Commissioner's Enforcement Counsel.

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1 Proof of Cure, satisfactory to the Commissioner, shall be sent to Uche L. Enenwali, Department of
2 Business Oversight, at 320 W. Fourth Street, Suite 750, California 90013 and via email at
3 Uche.enenwali@dbo.ca.gov.

4
5 Dated: 12/19/19

MANUEL P. ALVAREZ
Commissioner of Business Oversight

6
7
8 By _____
MARY ANN SMITH
9 Deputy Commissioner
Enforcement Division

10
11 Dated: 12/19/19

COMMERCE HOME MORTGAGE, LLC.

12
13 By _____
14 TED RAY, President

Filing # 127859985 E-Filed 06/01/2021 01:53:38 PM

IN THE CIRCUIT COURT OF THE
[REDACTED], FLORIDA

[REDACTED] S. Potter,

Plaintiff,

vs.

[REDACTED] Lively, et al.

Defendants,

CASE NO: 2021 [REDACTED]

CIVIL DIVISION

ORDER REGARDING EMAILS FROM [REDACTED] LARIMER

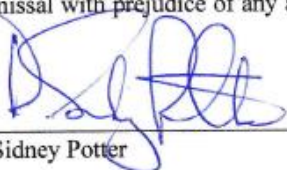
On May 13-17, 2021, this Court received multiple emails from an individual identifying himself as [REDACTED] in-house counsel for Defendant [REDACTED] Mortgage [REDACTED] and from an individual identifying herself as [REDACTED] Larimer who stated that she represents Defendant [REDACTED]. The emails do not appear to be copied to the Plaintiff or any other party in the case. If this is true, the emails are improper ex parte attempts to communicate with the Court. As such the Court cannot and will not act on them. For the benefit of the other parties in this case the referenced emails are attached to this order and will be filed in the court file.

**CREDIT FIRST NATIONAL ASSOCIATION
Confidential Settlement Agreement and Release**

FILE NUMBER 701137

____ ("Mr. Potter"), for and in consideration of the sum of _____
_____, payment of which is pending, and deletion of the account, deletion of the
tradeline, and waiver of his debt associated with CFNA credit account 6176 _____ does hereby for himself
and his heirs, executors, administrator, successors, and assigns, and any and all other persons, firms,
employers, corporations, associations or partnerships acting by or through him, release, acquit and forever
discharge _____, **Bridgestone
Americas, Inc., Bridgestone Retail Operations, LLC**, _____, and
their respective employees, agents, officers, attorneys, parent companies, subsidiary companies, affiliated
companies, successors, predecessors, assigns, and any and all other persons, agents, firms, employers,
corporations, associations or partnerships acting on their behalf (collectively "the Released Parties"), from

cause this Settlement Agreement and Release to be defective, or less than full, final, and complete, he will
execute any and all instruments and do any and all things necessary to effectuate a full, final and complete
release of those released herein, including the dismissal with prejudice of any actions related to the subject
matter of this Agreement.



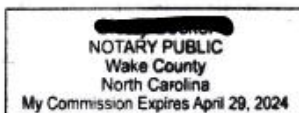
David Sidney Potter

State of North Carolina
County of Wake

The foregoing instrument was sworn to and signed before me by means of _____ physical presence or
_____ online notarization, by David Sidney Potter, who is personally known to me or who produced
Driver's License as identification, this 9th day of March
_____, 2021.

NOTARY PUBLIC

My Commission Expires: April 29, 2024



CONFIDENTIAL RELEASE AND SETTLEMENT AGREEMENT

Confidential Release and Settlement Agreement ("Agreement") between DAVID SIDNEY POTTER ("POTTER") and [REDACTED] CONSULTING [REDACTED] effective on the date POTTER signs below to resolve the dispute between the parties on the following terms and conditions:

Wells Fargo Bank
82 S. Lake Ave.
Pasadena, CA 91101
ABA Routing#: 122-000-247
Checking#: 8657-8480-84
Account Holder: D. Sidney Potter


POTTER acknowledges that [REDACTED] covenants and agreements are full and adequate consideration for all of his covenants and agreements under this Agreement. POTTER further agrees he is not entitled to receive any further compensation, monies, funds, fees, costs, or relief of any kind other than what is described in this Agreement as consideration for this Agreement.

7. **Taxes.** POTTER will be solely responsible for the payment of any applicable state or federal income taxes on [REDACTED] from these taxes only applicable to employers

DEFENDANTS:


AGREED this 14th day of December, 2019.

STATE OF Colorado
COUNTY OF Arapahoe



DAVID SIDNEY POTTER

I, the undersigned Notary Public, certify that DAVID SIDNEY POTTER acknowledged under oath before me on this day that, being informed of the contents of the foregoing Confidential Settlement and Release Agreement, he executed the same voluntarily on this date. Given under my hand and official notary seal this 14th day of Dec, 2019.



Notary Public
My Commission Expires: 10/23/2022
(Affix Seal)


NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID [REDACTED]
MY COMMISSION EXPIRES 10/23/2022





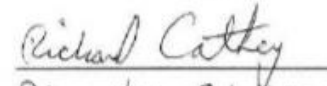
pursuant to the terms of this Agreement on the ground that this Agreement is confidential or otherwise privileged.

THE UNDERSIGNED HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND IT.

Dated: July 12, 2017

By: 
D. Sidney Potter, Plaintiff

Dated: July 14, 2017

By: 
Title: Director, Claims
NATIONWIDE MUTUAL INSURANCE COMPANY, Defendant
For itself and as an authorized agent and on behalf of the individually named Defendants in this action who are officers, directors, and employees of Nationwide and acting on its behalf

3711-7001: Potter v. [REDACTED], et al. - BC649105; and Potter v. FTI Consulting, et al. - BC649104

Sidney Potter/Not Ope... ★



Kelly A. Beltran <kbeltran@klinedinstlaw.com>
To: dsidneypotter@potterequities.com
Cc: Andrea F. Oxman

Apr 10, 2017 at 9:45 AM ★

Good Morning Mr. Potter,

Please see the attached fully executed Settlement Agreement and two [fully executed] Notice of Settlement forms regarding the above subject matters. Our office will handle the filing of the Notice of Settlement forms with the Court this date and provide you with conformed copies of same. The attached documents will follow by U.S. Mail. Thank you.

Kelly A. Beltran
Legal Secretary
Klinedinst PC

Los Angeles
(213) 406-1100 Ext. 3223 Phone

[vCard](#) | [Biography](#) | [Website](#) | [Locations](#)

Klinedinst.
ATTORNEYS

EXHIBIT C

Person Filing: Potter Equities
Address (if not protected): P.O. Box 287
City, State, Zip Code: Pasadena, CA 91102
Telephone: 818-298-4388
Email Address: dsidneypotter@potterequities.com
Lawyer's Bar Number: TBD

Clerk of the Superior Court
*** Electronically Filed ***
J. Nelson, Deputy
10/28/2021 1:22:00 PM
Filing ID 13547084

FOR CLERK'S USE ONLY

Representing ☒ Self, without a Lawyer or ☒ Attorney for ☒ Plaintiff OR ☐ Defendant

SUPERIOR COURT OF ARIZONA IN MARICOPA COUNTY

Potter Equities

PLAINTIFF,

vs.

Change Lending, LLC

DEFENDANT.

Case Number: CV2021-016849

CERTIFICATE OF COMPULSORY ARBITRATION

***Notice to Defendant: If you agree with the Plaintiff's Certificate of Compulsory Arbitration, you DO NOT need to file this form.**

- The undersigned certifies that this case is (Please check **ONLY** one option below):
- ☐ **Subject to Arbitration** – The amount of money in controversy **DOES NOT** exceed \$50,000, **AND** no other affirmative relief is sought.
- ☒ **Not Subject to Arbitration** – The amount of money in controversy **DOES** exceed \$50,000, **OR** other affirmative relief is sought.

***Defendant – If you DISAGREE with the Plaintiff's Certificate of Compulsory Arbitration, please explain why you disagree below:**

SUBMITTED this 22nd day of October, 2021.

SIGNATURE 

EXHIBIT D

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
[☒] Representing Self, Without an Attorney
(If Attorney) State Bar Number:

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Change Lending, LLC

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Requests for reasonable accommodation for persons with disabilities must be made to

the court by parties at least 3 working days in advance of a scheduled court proceeding.

GIVEN under my hand and the Seal of the Superior Court of the State of Arizona in and for the County of Maricopa

SIGNED AND SEALED this Date: *October 28, 2021*

JEFF FINE
Clerk of Superior Court

By: *JACQUELINE NELSON*
Deputy Clerk



Requests for an interpreter for persons with limited English proficiency must be made to the division assigned to the case by the party needing the interpreter and/or translator or his/her counsel at least ten (10) judicial days in advance of a scheduled court proceeding.

If you would like legal advice from a lawyer, contact Lawyer Referral Service at 602-257-4434 or <https://maricopabar.org>. Sponsored by the Maricopa County Bar Association.

EXHIBIT E

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
[☒] Representing Self, Without an Attorney
(If Attorney) State Bar Number:

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Ted Ray

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Clerk of Superior Court

By: *JACQUELINE NELSON*
Deputy Clerk



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EXHIBIT F

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
[☒] Representing Self, Without an Attorney
(If Attorney) State Bar Number:

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Mario De Tomasi

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JEFF FINE
Clerk of Superior Court

By: *JACQUELINE NELSON*
Deputy Clerk



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EXHIBIT G

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
[☒] Representing Self, Without an Attorney
(If Attorney) State Bar Number:

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Steven Sugarman

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Clerk of Superior Court

By: *JACQUELINE NELSON*
Deputy Clerk



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EXHIBIT H

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
[☒] Representing Self, Without an Attorney
(If Attorney) State Bar Number:

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Marllette Owen

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EXHIBIT I

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
[☒] Representing Self, Without an Attorney
(If Attorney) State Bar Number:

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Chris Fremott

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JEFF FINE
Clerk of Superior Court

By: *JACQUELINE NELSON*
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EXHIBIT J

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Mattie Teskey

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SIGNED AND SEALED this Date: *October 28, 2021*

JEFF FINE
Clerk of Superior Court

By: *JACQUELINE NELSON*
Deputy Clerk



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EXHIBIT 2

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
[☒] Representing Self, Without an Attorney
(If Attorney) State Bar Number:

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Change Lending, LLC

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EXHIBIT 3

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
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IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Ted Ray

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EXHIBIT 4

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
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IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

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Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Mario De Tomasi

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EXHIBIT 5

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
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IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Steven Sugarman

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EXHIBIT 6

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
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IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Marllette Owen

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EXHIBIT 7

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
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Potter Equities

Plaintiff(s),

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Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Chris Fremott

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EXHIBIT 8

Person/Attorney Filing: D. Sidney Potter
Mailing Address: P.O. Box 287
City, State, Zip Code: Pasadena CA 91102
Phone Number: 818-298-4388
E-Mail Address: dsidneypotter@potterequities.com
[☒] Representing Self, Without an Attorney
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IN AND FOR THE COUNTY OF Maricopa

Potter Equities

Plaintiff(s),

v.

Change Lending, LLC et al

Defendant(s).

Case No. **CV2021-016849**

SUMMONS

To: Mattie Teskey

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EXHIBIT 9

1 D. Sidney Potter
2 (Attorney TBD)
3 P.O. Box 287
4 Pasadena, CA 91102
5 (818) 771-7710 telephone
6 (818) 924-0404 facsimile
7 dsidneypotter@pottrequities.com

8 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
9 IN AND FOR THE COUNTY OF MARICOPA

10
11 Potter Equities,

12 Plaintiff

13
14 vs.

15 **COMPLAINT AND JURY DEMAND**

Maricopa County

Case No. CV2021-016849

16 Change Lending, LLC (DBA:
17 Commerce Home Mortgage Wholesale),
18 Ted Ray, Mario De Tomasi,
19 Steven Sugarman, Marlette Owen,
20 Chris Freemott, Mattie Teskey

21 Defendants

22 **CAUSES OF ACTIONS:**

23 **COUNT 1: FIRST CAUSE OF ACTION (Wrongful Termination in Violation of Public
24 Policy Against All Defendants)**

25 **COUNT 2: SECOND CAUSE OF ACTION (Breach of Contract Against All Defendants)**

26 **COUNT 3: THIRD CAUSE OF ACTION (Age Discrimination)**

27 **COUNT 4: FOURTH CAUSE OF ACTION (Violation of Arizona Whistleblower Act)**

28 **COUNT 5: FIFTH CAUSE OF ACTION (Violation of The Consumer Financial Protection
Act)**

**COUNT 6: SIXTH CAUSE OF ACTION (Violation of Consent Order from The
Department of Business Oversight of the State of California)**

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***** False Claims Act & Qui Tam *****

Notice is hereby given that Plaintiff reserves the right to further his claim against said Defendants in the False Claims Act and Que Tam. The absence of such claim in this subject litigation does not preclude Plaintiff from exercising such right. False Claims Act is 31 U.S.C. Sections 3729-3733

Plaintiff D. Sidney Potter alleges as follows:

THE NATURE OF THE ACTION

1. The case involves the wrongful termination of D. Sidney Potter by Change Lending, LCC, (herein known as CHANGE LENDING), a mortgage lender that is regionally based in Atlanta, GA (as the registered location). The employee, D. Sidney Potter (herein known as Potter), who would be entitled to different protections as a contractor, was hired and started as an employee with CHANGE LENDING on July 26, 2021 from their Arizona office at 2198 East Camelback Road, Suite 380, Phoenix, AZ 85016, and was subsequently fired October 15, 2021. Employment was accepted under the business name, Potter Equities, a sole proprietorship owned by D. Sidney Potter, and incorporated in Los Angeles County, with an active Employment Identification Number (EIN), as issued by the Internal Revenue Service. Mr. Potter accepted employment from CHANGE LENDING while in North Carolina, and subsequently worked in North Carolina while under the employ of CHANGE LENDING. Mr. Potter has never been to the offices of CHANGE LENDING in Arizona (See the Exhibits for State of Arizona license for Change Mortgage). For purposes of jurisdiction, Arizona law and statute dominates this case; procedurally and legally, in terms of personal justification and venue, and legal jurisdiction. All counties in Arizona are applicable, since CHANGE LENDING operates in all counties.

2. The Plaintiff, D. Sidney Potter, is an experienced mortgage operations consultant who has worked on dozens of projects over a 13-year period for an inordinate number of banks, finance companies, and mortgage analytics firms. Some of the companies include the following: GE Money, IndyMac, Ameriquest, Bank of America, Countrywide, Merrill Lynch, Bank One, Washington Mutual and Wells Fargo. Along with those latter named Fortune 500 companies, Potter has worked with Big Six consulting firms, such as Arthur Andersen, Accenture, Deloitte

1 & Touché, Cognizant and Ernst & Young. In terms of project locations, they include Boston,
2 Jacksonville, Charlotte, Minneapolis, Dallas, San Francisco, Phoenix, Detroit and Los Angeles.
3 In addition to whom and where Potter has worked, he has primarily been engaged in several
4 capacities when on site as a mortgage operations consultant. Those mortgage operation “hats”
5 include the role of a mortgage underwriter, repurchase analyst, due diligence processor, quality
6 control auditor and as a mortgage analyst. In his various roles, it has been necessary to achieve
7 certification and authorization designations in order to perform certain functions, such as that of
8 an underwriter. Over a 13-year period, it is estimated that Potter has taken hundreds of
9 assessments and continuing education courses at the various banks he has worked during his role
10 as a mortgage operations consultant.
11

12
13 3. The Plaintiff, D. Sidney Potter is a published author and writes for several well-
14 known online periodicals, such as The Huffington Post, CNN (iReports), Politico, Inman and
15 CounterPunch. He is considered a subject matter expert (SME) in the mortgage and real estate
16 industry. Some of his work includes on camera talent for “how to” instruction videos in real
17 estate and mortgages for Demand Studies. In 2011, he was named “Person of the Week” from
18 Mortgage Orb Magazine, in addition to being quoted directly via other online periodicals, and
19 subsequently in 2017, was mentioned as a person to watch in Inman Real Estate magazine for his
20 prowess in real estate and his Jack Kerouac like travels as a journeyman writer.
21

22 4. The Plaintiff, D. Sidney Potter, successfully passed the preliminary test cases
23 administrated verbally by CHANGE LENDING precedent to employment. The Defendant,
24 CHANGE LENDING choose to rely on these preliminary assessments to hire Potter as an
25 Underwriter.
26
27
28

1 5. As a result of CHANGE LENDING's wrongful termination of Potter's
2 employment on October 15, 2021, and despite employment being conveyed as "guaranteed" and
3 continually – unless otherwise stated for the next 5 years as expressed by CHANGE LENDING,
4 the following employees of CHANGE LENDING: Ted Ray, Mario De Tomasi, Steven
5 Sugarman, Marlette Owen, Chris Freemott, and Mattie Teskey, are apart of this legal complaint
6 via the legal theory of Respondeat Superior. It is worth noting that CHANGE LENDING will be
7 sued in a companion lawsuit as a result of the unlawful conduct of additional employees not
8 herein named as Defendants, wherein Potter has suffered serious economic harm as a result of
9 discriminatory treatment and wrongful termination. A default judgment against individually
10 named Defendants will result in reporting to credit reporting agencies: Equifax, Experian and
11 TransUnion. Litigation against mortgage companies is rare for Mr. Potter, but it has occurred.
12 He has prevailed in cases nationwide against Wells Fargo, Accenture Consulting, USAA
13 Mortgage, PNC Bank, Esurance, Washington Mutual Bank, Dollar-Rent-A-Car, the University
14 of Maryland, and the Internal Revenue Service. More recent wins (see Exhibits), include FTI
15 Consulting, Navy Federal, Nationwide Mutual Insurance Company, and Firestone Tires.
16
17
18

19 6. In particular, a formal job discrimination complaint with the EEOC will be filed
20 in the Phoenix, Arizona within the next 60 days and be made apart of this compliant.
21

22 7. This lawsuit seeks to redress the harm suffered by Potter and shed light on the
23 discriminatory employment practices that have pervaded CHANGE LENDING throughout
24 Potter's tenure while employed.

25 8. Defendants had no right to terminate Potter's employment at CHANGE
26 LENDING under these circumstances, and Defendants wrongful and tortuous conduct has
27 resulted in damage to Potter in an amount as-of-yet undetermined. More specifically, this
28

lawsuit seeks an as-of-yet undetermined amount of money, although compensatory damages stand at \$575,000, and to force CHANGE LENDING to implement safeguards to prevent financial harm to its customers; in addition, that other non-Whistleblower claims to be substantially punitive in terms of damages and to be determined by a jury of Potter's peers and/or a bench decision by this Court. In terms of Whistleblower damages, refer to the Arizona Whistleblower Act. Also known as the Arizona Employment Protection Act (A.R.S. § 23-1501(A)(3)(C)(ii), and the Consumer Financial Protection Act for compensatory damages and injunctive relief contained herein. In addition, CHANGE LENDING has not fully redressed allegations of predatory lending as to the 'benefit to borrower' criteria as established by The Dodd-Frank Act of 2010.

PARTIES

9. Plaintiff, D. Sidney Potter ("Potter" or "Plaintiff") is, and at all relevant times was, an individual working as a mortgage operations consultant based in California and North Carolina, whilst conducting business under his sole proprietorship entitled Potter Equities. For the work performed for CHANGE LENDING, the Plaintiff was temporally in the State of North Carolina, and maintains ties to California and Arizona. Employment laws in Arizona, California and North Carolina are applicable to the case at hand. The second venue is California, wherein the Plaintiff may file in Los Angeles County. Employment was accepted under the business name, Potter Equities, a sole proprietorship owned by D. Sidney Potter, and incorporated in Los Angeles County, with an active Employment Identification Number (EIN) as issued by the Internal Revenue Service.

10. Plaintiff is informed and believes and based thereon alleges that Defendant, CHANGE LENDING, is, and at all relevant times was, a corporation that conducts business, and

1 is organized and existing under the laws of the State of Arizona, doing business in the County of
2 Maricopa, State of Arizona. CHANGE LENDING is registered with the Arizona Department of
3 Financial Institutions. The company identification is License No. BK-BR-0124271.

4 11. Plaintiff is informed and believes and based thereon alleges that Defendant,
5 CHANGE LENDING, is, and at all relevant times was, a corporation that conducts business, and
6 is organized doing business in the County of Maricopa, State of Arizona. The address of record
7 for CHANGE LENDING is 2198 East Camelback Road, Suite 380, Phoenix, AZ 85016.
8

9 12. Plaintiff is informed and believes, and based thereon alleges, that each Defendant;
10 and the following employees of CHANGE LENDING: Ted Ray, Mario De Tomasi, Steven
11 Sugarman, Marlette Owen, Chris Freemott, and Mattie Teskey, at all times mentioned in this
12 complaint was the agent, employee, partner, joint venturer, co-conspirator, and/or employer of
13 the other Defendants and was at all times herein mentioned acting within the course and scope of
14 that agency, employment, partnership, conspiracy, ownership or joint venture. Plaintiff is further
15 informed and believes, and thereon alleges, that the acts and conduct herein alleged of each
16 Defendant was known to, authorized by and/or ratified by the other Defendants, and each of
17 them.
18
19

20 **JURISDICTION AND VENUE**

21 13. Jurisdiction and venue are proper in this Court because, CHANGE LENDING,
22 incorporated in the State of Arizona, is registered with the Arizona Department of Financial
23 Institutions, 100 N 15th Ave #261, Phoenix, AZ 85007. The company identification is
24 201809410463. The registrant for CHANGE LENDING is Paracorp Incorporated, located at
25 2804 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833.
26
27
28

1 14. The Plaintiff, D. Sidney Potter accepted employment and executed an
2 employment agreement on July 26, 2021 with CHANGE LENDING for the purpose of
3 performing work for CHANGE LENDING, emanating from conversations whilst on the phone
4 in the State of Arizona.

5 15. The amount in controversy in this matter exceeds the sum of \$25,000, exclusive
6 of interest and costs.
7

8 **FACTUAL ALLEGATIONS**

9 16. As noted earlier, the employee, D. Sidney Potter, successfully passed training as
10 verbally administrated by CHANGE LENDING employee Marlette Owen and Mattie Teskey.
11 The employer, CHANGE LENDING, authorized said training.
12

13 17. As a result of the success of the training, Potter was offered a position with
14 CHANGE LENDING.

15 18. Companies enjoy a strong degree of discretion to ‘fire and hire’ mortgage
16 employees at their whim – and do so with an alarming zest. Potter has witnessed this
17 dysfunctional behavior firsthand and understands – however morally and ethically wrong, that
18 there are few if no repercussions for employers who engage in this quasi “white collar” ethnic
19 cleansing. Potter is also cognizantly aware that these very same employers cannot fire an
20 employee based on a charge of wrongful termination and/or discriminatory nature. The
21 Defendants are liable for this breach of American jurisprudence, in that they have skirted the law
22 under the pretext of ending Potter’s assignment under the guise that as an “employee-at-will” he
23 was fireable at any moment, when infact they are guilty of breaking the law by willfully
24 committing an unlawful termination. In part, it is “what they do”.
25
26
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28

1 19. To be brief, the employee, D. Sidney Potter, had his position eliminated – in part
2 because of a subjective bias in his performance competencies, wherein his competency was at or
3 above the requisite level. A statistical analysis will prove this fact. This is against the law, and
4 as a result, CHANGE LENDING will have to reimburse Potter for his economic loss.

5 20. Furthermore, once legal discovery is commenced by both Plaintiff and Defendant
6 Counsel, the facts will bear that the employee, D. Sidney Potter, had his position eliminated
7 because he notified in writing that there were inconsistency in underwriting standards, that would
8 in part or whole evidence that CHANGE LENDING engaged in unlawful discriminatory lending
9 practices as mandated by the Dodd-Frank Act, ECOA, RESPA and The Truth and Lending Act.
10

11 **EXHAUSTION OF ADMINISTRATIVE REMEDIES**

12 21. Not all wrongful discharge claims are discrimination-based. If an employee is
13 given a contract of employment, either expressly or impliedly and/or verbally, and is terminated
14 before the expiration of, and in violation of, under that contract he or she is entitled to bring a
15 claim for wrongful discharge and breach of employment contract. **As such, the claim brought**
16 **by Plaintiff is not subject to exhaustive remedies, per EEOC, but will be filed within 60**
17 **days.**
18
19

20 22. CHANGE LENDING, a mortgage lender company of approximately 500
21 employees that hires mortgage banking professionals, like the Plaintiff, for mortgage operations
22 work, will try to suggest that the email from CHANGE LENDING, dated October 12, 2021,
23 somehow acts as a release against any and all future claims against CHANGE LENDING. And
24 that the employment agreement signed shortly before the commencement of work on July 26,
25 2021, nullifies any post-employment legal claims, is wholly inaccurate and supercilious. And
26 even if CHANGE LENDING tried to suggest that Potter was precluded from suing them directly
27
28

for any and all reasons under the sun, CHANGE LENDING cannot succeed on this frivolous claim and Mickey Mouse assertion. The courts have long frowned upon blanket assertions of unsubstantiated claims and any other similar facsimile or quasi agreement (i.e., Arbitration/AAA), which are drafted, amended and submitted by employers to employees in a non-arm's length capacity; as an all-inclusive defense and/or an attempt to absolve them of any future litigation. The litigation at hand against all Defendants is predicated upon its own merits, and is not subject to an inapplicable email, letter or agreement, but rather the allegations presented thereon will be subject to the reasoning of the trier of fact, either from the bench or by jury trial, that will adjudicate in part and/or in full on behalf of the aggrieved party, that being the Plaintiff himself.

FIRST CAUSE OF ACTION

(Wrongful Termination in Violation of Public Policy Against All Defendants)

23. Plaintiff repeats and re-alleges the allegations of Paragraphs 1 through 22 above, and incorporates those allegations herein by reference.

24. Potter's employment with CHANGE LENDING was terminated by Defendants in violation of fundamental public policy of the State of Arizona since he was wrongly terminated based on Whistleblowing activity and as a result of his entire test assessments falsely alleged of not being substantially above what other underwriters at this CHANGE LENDING mortgage unit have performed at. This by any other name is discriminatory. Holding the Plaintiff to a higher standard not required by other employees is clearly a violation of Plaintiffs' rights.

25. As set forth above, the actions and conduct of Defendants were wrongful and in violation of the fundamental principles of the public policy of the State of Arizona, the State of

1 California, and the State of North Carolina, as reflected in their respective laws objectives and
2 policies.

3 26. More specifically, CHANGE LENDING terminated Potter's employment in
4 violation of important and well-established public policies, as set forth in various state statutes
5 and Constitutional provisions including but not limited to Const. Art. I section 8.
6

7 27. In committing the foregoing acts, CHANGE LENDING is guilty of oppression,
8 fraud, and/or malice under The Arizona Civil Rights Act (A.R.S. §41-1463/Ag), (A.R.S. §12-
9 1810/Harassment), (A.R.S. §23-1502(F)/Constructive Discharge) thereby entitling Potter to
10 punitive damages in a sum appropriate to punish and make an example out of CHANGE
11 LENDING.
12

13 28. As a direct and proximate result of the Defendants' conduct, Potter has suffered
14 general and special damages for, *inter alia*, the loss of the compensation he would have received
15 in connection with continued employment with CHANGE LENDING, in an amount as-yet-to-be
16 determined and according to proof at the time of trial.
17

18 29. Potter is informed and believes and based thereon alleges that the above-described
19 conduct of Defendants was willful and intentional and done with malice, fraud and oppression,
20 and constitutes despicable conduct in conscious and reckless disregard of Potter's rights and
21 interest, such that the conduct warrants the imposition of punitive damages in a sum appropriate
22 to punish Defendants, and each of them, and to deter Defendants from engaging in future similar
23 misconduct, the exact sum subject to proof at the time of trial.
24

25 30. Potter has been damaged in an amount within jurisdictional limits of this Court.
26
27
28

SECOND CAUSE OF ACTION

(Breach of Contract Against All Defendants)

31. Plaintiff repeats and re-alleges the allegations of paragraphs 1 through 22 above, and incorporates those allegations herein by reference.

32. Defendants anticipatorily repudiate and materially breached the Implied Covenant of Good Faith, the implied employment agreement, and the verbal agreement (herein all three elements referred to as Agreement), that Potter accepted before commencing work for the named Defendants to perform the duties of the job.

33. Potter has performed all conditions, covenants and promises required pursuant to the terms of the Agreement, except to the extent such performance was waived executed or prevented by reason of the acts or omissions of Defendants.

34. As a direct and proximate result of the anticipatory and material breach and the conspiratorial conduct by both Defendants as it relates to a breach against all Defendants; wherein each party subverted their fiduciary responsibility to the Plaintiff; and as such Potter has suffered general and special damages for, *inter alia*, the loss of the compensation he would have received in connection with loss of the compensation he would have received in connection with continued employment with CHANGE LENDING, in an amount as-yet-to-be determined and according to proof at the time of trial.

35. Potter is also entitled to an award of his reasonable lawyer's fees and costs pursuant to Arizona Revised Statutes, A.R.S. §12-341.01, and 16 A.R.S. Rules of Civil Procedure, Rule 54, wherein Potter will reimburse legal representation for this case.

THIRD CAUSE OF ACTION

(Age Discrimination)

36. The Plaintiff has been treated differently than similarly situated employees by Defendants in the terms and conditions of his employment because of his age, and professional responsibilities.

37. Defendants engaged in illegal discrimination against the Plaintiff because of his age, as validated by the hire practices of the CHANGE LENDING.

38. Defendants have engaged in intentional age discrimination in the terms and conditions of the Plaintiff's employment, including, but not limited to, the Plaintiff's termination.

39. Defendants' conduct violates Title VII and The Age Discrimination in Employment Act of 1967.

40. No later than December 1st, 2021, the Plaintiff will have filed a timely Charge of Discrimination against CHANGE LENDING, alleging age discrimination with the Equal Employment Opportunity Commission ("EEOC"). A true and accurate copy of the EEOC Charge of Discrimination Inquiry Number XXX-2021-XXXXXX will be attached to an amended complaint and will be filed at the EEOC office at 3300 N Central Ave # 690, Phoenix, AZ 85012. Per the EEOC requirements, the Plaintiff will submit a signed statement to the EEOC asserting that an organization engaged in employment discrimination, thus preempting a formal in-person or phone interview with EEOC.

41. As of and no later than December 15th, 2021, the Plaintiff will file a timely Charge of Discrimination against CHANGE LENDING alleging any additional charges as deemed necessary after conferring with legal counsel, with the Equal Employment Opportunity Commission ("EEOC"). A true and accurate copy of the EEOC Charge of Discrimination Inquiry Number XXX-2021-XXXXXX, will be attached to an amended complaint and will be

1 filed at the EEOC Los Angeles office, located at 255 E Temple St, Los Angeles, CA 90012. Per
 2 the EEOC requirements, the Plaintiff will submit a signed statement to the EEOC asserting that
 3 an organization engaged in employment discrimination, thus preempting a formal in-person or
 4 phone interview with EEOC.

5 42. The Plaintiff will have satisfied all statutory prerequisites for filing this action.

6 43. Defendants' discriminatory conduct, in violation of Title VII and The Age
 7 Discrimination in Employment Act of 1967, has caused the Plaintiff to suffer a loss of pay,
 8 benefits, and prestige.

9 44. Defendants' actions have caused Plaintiff to suffer mental and emotional distress,
 10 entitling him to compensatory damages pursuant to 42 U.S.C. § 1981a.

11 45. Defendants have engaged in discriminatory practices with malice and reckless
 12 indifference to the Plaintiff's federally protected rights, thereby entitling him to punitive
 13 damages pursuant to 42 U.S.C. § 1981a, with a true and accurate copy of the both EEOC
 14 Charges of Discrimination. Notwithstanding the EEOC filing, Plaintiff still asserts his rights in
 15 this case in that a federal question is at hand for the Court to determine.

16 **FOURTH CAUSE OF ACTION**

17 **(Violation of Arizona's Whistleblower Act, per A.R.S. § 23-1501(A)(3)(C)(ii))**

18 46. The Arizona Employment Protection Act, prohibits private-sector employers from
 19 retaliating against employees who report employers' legal violations to authorities or who refuse
 20 to participate in violations of the law. To prove a prima facie case under the AWA, the plaintiff
 21 must establish that:

- 22 1. he or she engaged in statutorily protected expression;
- 23 2. he or she suffered an adverse employment action; and

3. the adverse employment action was causally linked to the protected activity.

Confusion as to what employees need to show to claim protection under the AWA has persisted since 2015, when a Arizona appellate court, unlike another court, held that the employee must show an actual violation of the law. *Kearns v. Farmer Acquisition Co. d/b/a Charlotte Honda*, 157 So.3d 458 (Az. 2d DCA 2015). Another Arizona appellate court had held two years earlier that an employee need only show that he or she had a good-faith belief a violation occurred when claiming protection under the law. *Aery v. Wallace Lincoln-Mercury, LLC*, 118 So. 3d 904, 916 (Az. 4th DCA 2013).

47. Since *Aery*, Arizona's federal district courts have adopted the good-faith belief standard, concluding that *Kearns* did not directly conflict with *Aery*, and that *Aery* was the law of the state. Under the good-faith belief standard, if an employee refuses to engage in an activity at work because he or she *mistakenly believed* the activity is illegal, the employee likely will enjoy whistleblower protections from any adverse employment action arising out of not performing his or her job. Critics argue that this frustrates Arizona's status as an at-will employment state.

FIFTH CAUSE OF ACTION

(Violation of the Consumer Financial Protection Act, per Title X of the Dodd-Frank Act)

48. The anti-retaliation provision of the Consumer Financial Protection Act (CFPA) provides a cause of action for corporate whistleblowers who suffer retaliation for raising concerns about potential violations of rules or regulations of the Consumer Financial Protection Bureau. In addition, the CFPA whistleblower law proscribes a broad range of adverse employment actions, including terminating, "intimidating, threatening, restraining, coercing, blacklisting or disciplining, any covered employee or any authorized representative of covered employees" because of the employee's protected whistleblowing.

SIXTH CAUSE OF ACTION**(Violation of Consent Order from The Department of Business Oversight of the State of California)**

49. Per the Consent Order with The Department of Business Oversight of the State of California, dated December 19, 2019, Commerce Home Mortgage, LLC, a subsidiary of Change Lending, LCC, (DBA: Commerce Home Mortgage Wholesale), the Defendant has failed to act in the best interest of its employees, to whom it owes a fiduciary responsibility to, and under its stewardship employees faithfully duties on its behalf. More particularly, the Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of lending and/or servicing residential mortgage loans pursuant to the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.), including mortgage loan originators, underwriters, processors, support staff and all other related employees engaged in the origination of loans. By failure of CHANGE LENDING to inform the Plaintiff of said Consent Order, the Plaintiff has been involuntary exposed to reputation risk and possible future loss of employment, given that a breach of the Consent Order imperils employability in the financial services industry. Exhibits contained herein titled Consent Order, entail such obligation.

PRAYER FOR RELIEF

50. For general damages, according to proof on each cause of action for which such damages are available.

51. For special damages, according to proof on each cause of action for which such damages are available.

52. For compensatory damages, according to proof on each cause of action for which such damages are available. No less than \$575,000, which equates to \$115,000 per annum salary.

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd of October 2021, a copy of the foregoing was sent via first class mail to:

Defendant Addresses:

Change Lending, LLC (DBA: Commerce Home Mortgage Wholesale)
16845 Von Karman Avenue, Suite 200
Irvine, CA 92606

Ted Ray
President of Change Home Mortgage
16845 Von Karman Avenue, Suite 200
Irvine, CA 92606
Interested Parties: Excelerate Capital.

Mario Patrick De Tomasi
CEO of Change Lending / President of The Change Company
3938 Canyon Road
Lafayette, CA 94549
Interested Parties: Simar Holdings Corp.
Spouse: Lia De Tomasi
CA Broker License: #01454053

Steven Alan Sugarman
Founder of The Change Company
508 Ocampo Drive
Pacific Palisades, CA 90272
Interested Parties: Los Angeles Team Mentoring (LATM), Michelman & Robinson, LLP, Antonio Villaraigosa.
Spouse: Ainslie Mackey Sugarman (CA State Bar License #220316).
CA Broker License: #01356635
CA State Bar Law License: #220315

Marllette Owen
3680 E Powell Place
Chandler, AZ 85249
Interested Parties: Reids Ranch Homeowners Association, Arizona Community Management Services HOA,
Landing at Reids Ranch Homeowners Association.
Spouse: Jeffery S. Owen
AKA: Sandra Marllette Owen, Sandra Marllette Ellsworth

Chris Fremott
2374 Keim Road
Naperville, IL 60565
Interested Parties: Changing Alpha? Unison Home Investors? Midwest Equity Mortgage, First Choice Bank?
Spouse: Jeanene Marie Rollins
AKA: Christopher John Freemott

Mattie Teskey
8507 E Shetland Trail
Scottsdale, AZ 85258
Interested Parties: Goldwater Bank, Weststar Mortgage, Sheryl Rose (Blackfin Group), Los Ojos De La Familia
Arizona Board of Directors, Fifty-Six Palms Homeowners Association.
Spouse: Tasha Raschelle Teskey
AKA: Matthew Teskey, Mattie Mikey Telsa

EXHIBITS

To be notified upon Pre-Trial Conference, but no later than Trial:

*California Department of Business Oversight: (41DBO-415-0083)

*Nationwide Mortgage Licensing System (NMLS), 2101 Arena Blvd., Sacramento, CA 95834 (License No. NMLS #1766777 for AZ) (License No. NMLS #1839 for CA)

*Department of Financial Protection and Innovation under the California Residential Mortgage Lending Act, License #4150083 and the California Financing Law, License #60DBO74388.

*Arizona Department of Financial Institutions (License No. BK-BR-0124271)

Departure Notice

From: Sidney Potter (sidney.potter@commercemtg.com)

To: Adam.Levine@changellc.com; blake.brooks@changellc.com; jbiegel@changemtg.com; jolsen@changemtg.com; amiranda@changemtg.com; tray@changemtg.com; mario@changemtg.com; sugarman@changemirandellc.com; sas@sugarmaninc.com

Cc: Bonnie.Maldonado-Beasley@ChangeWholesale.com; Camillo.Iannaccone@ChangeWholesale.com; Christopher.Avera@ChangeWholesale.com; Dana.Ormsby@ChangeWholesale.com; Debra.Disano@ChangeWholesale.com; Eric.Sanchez@ChangeWholesale.com; Heather.Donaldson@ChangeWholesale.com; Jamie.Noonan-Silva@ChangeWholesale.com; Janille.Dimaguipo@ChangeWholesale.com; Jennifer.Robinson@ChangeWholesale.com; Jessica.Waller@ChangeWholesale.com; Joann.Gehen@ChangeWholesale.com; Jonathan.Traynham@commercemtg.com; Judy.Ogden@ChangeWholesale.com; Karen.Frank@ChangeWholesale.com; Karin.Olaya@ChangeWholesale.com; Kevin.Thomas@ChangeWholesale.com; Kimberley.Cuevas@ChangeWholesale.com; Kindra.Lewis@ChangeWholesale.com; Lisa.Lonczak@ChangeWholesale.com; MaDonna.Samuel@ChangeWholesale.com; Marie.Wilson@ChangeWholesale.com; Mark.Ram@commercemtg.com; Mary.Artin@ChangeWholesale.com; Morgan.Barton@ChangeWholesale.com; Noreen.Johnson@ChangeWholesale.com; Renee.Martin@ChangeWholesale.com; Shonte.Matthews@ChangeWholesale.com; Sidney.Potter@commercemtg.com; Teena.Freese@ChangeWholesale.com; Vanessa.Pate@ChangeWholesale.com; Kelvin.Buckner@ChangeWholesale.com; Richard.Harris@ChangeWholesale.com; Ronald.Ineman@ChangeWholesale.com; Antoinette.Dent@ChangeWholesale.com; Caroline.Garcia@ChangeWholesale.com; Carolyn.Smith@ChangeWholesale.com; Christina.Ramirez@changewholesale.com; Eileen.SvecHugo@ChangeWholesale.com; Erisha.Taylor@ChangeWholesale.com; Gwendolyn.Bridges@ChangeWholesale.com; Jocelyn.Gonzalez@ChangeWholesale.com; Joya.Lewis@commercemtg.com; Juelle.Jalilian@ChangeWholesale.com; Marcia.Harris@changewholesale.com; dsidneypotter@pottrequities.com

Date: Tuesday, October 12, 2021, 03:00 PM EDT

Chris Freemott -

This is not going to work out. Like most everyone else apart of the underwriter unit at Change Mortgage, I have very little respect for Marlette Owen and delusional oddballs and make many people uncomfortable). Extremely unprofessional, and especially so when Mrs. Owen is seated down and wears a Microsoft Teams morning conference call. It was like watching some porkulent/chubby entertainment commentator on TMZ or Telemundo. Disturbing calls, most in attendance (35 to 40 people), don't even respond with a hello to both of these people. Go ahead and make the termination, since the legal my lawyer has finished the first draft. As a quick alternative and a form of settlement mediation, ask your supervisor to provide a severance package of other fulltime employers.

Thank you much and no hard feelings. In fact, I look forward to the litigation ----- and to look up your LinkedIn profiles 6 months later. Not sure if Change defense ----- given you and Mattie are newbie employees, but you should check into that? Go on Lexis-Nexis to verify my nationwide 18-year litigation I up, as soon as the termination is received by email, I will log-off the platform and cease to underwrite files. You seem like a very accomplished professional; chat comments are crude, indelicate and borderline toilet humor (i.e., excessive drinking, carousing, violence, sexual innuendo and conquests). Half of reference on your resume do not exist, are duplicate companies and/or deadlinks on the internet? Super embarrassed I choose to work for this company.

D. Sidney Potter

818-298-4388

PS: The most mortifying moment was when Mattie raised his voice at me (almost yelled), and declared he was apart of the Executive leadership team and request to immediately jump on a conference call to see me physically, he would have grounds for a write-up, since I refused a direct order? At that moment unusual for anyone to approach me with that degree of disrespect. I was impressed. Upon my assistance however, it proceeded as a regular non-video bait cesspool. Not for me.

Person/Attorney Filing: D. Sidney Potter
 Mailing Address: P.O. Box 287
 City, State, Zip Code: Pasadena CA 91102
 Phone Number: 818-298-4388
 E-Mail Address: dsidneypotter@potterequities.com
 [REDACTED] Attorney
 [REDACTED] State Bar Number:

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
 IN AND FOR THE COUNTY OF Maricopa

Potter Equities
 Plaintiff(s),

v.

Change Lending, LLC et al
 Defendant(s).

Case No.

SUMMONS

To: Change Lending, LLC

WARNING: THIS AN OFFICIAL DOCUMENT FROM THE COURT THAT AFFECTS YOUR RIGHTS. READ THIS SUMMONS CAREFULLY. IF YOU DO NOT UNDERSTAND IT, CONTACT AN ATTORNEY FOR LEGAL ADVICE.

1. A lawsuit has been filed against you. A copy of the lawsuit and other court papers were served on you with this Summons.
2. If you do not want a judgment taken against you without your input, you must file an Answer in writing with the Court, and you must pay the required filing fee. To file your Answer, take or send the papers to Clerk of the Superior Court, 201 W. Jefferson St. Phoenix, AZ 85003 or electronically file your Answer through one of Arizona's approved electronic filing systems at <http://www.azcourts.gov/cfilinginformation>. Mail a copy of the Answer to the other party, the Plaintiff, at the address listed on the top of this Summons.
 Note: If you do not file electronically you will not have electronic access to the documents in this case.
3. If this Summons and the other court papers were served on you within the State of Arizona, your Answer must be filed within TWENTY (20) CALENDAR DAYS from the date of service, not counting the day of service. If this Summons and the other court papers were served on you outside the State of Arizona, your Answer must be filed within THIRTY (30) CALENDAR DAYS from the date of service, not counting the day of service.

Requests for reasonable accommodation for persons with disabilities must be made to

D. Sidney Potter
 (Attorney TBD)

[REDACTED]

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
 IN AND FOR THE COUNTY OF MARICOPA

Potter Equities,

Plaintiff

vs.

COMPLAINT AND JURY DEMAND

Maricopa County
 Case No. _____

Change Lending, LLC (DBA:
 Commerce Home Mortgage Wholesale),
 Ted Ray, Mario De Tomasi,
 Steven Sugarman, Marillette Owen, |
 Chris Freemott, Mattie Teskey

Defendants

CAUSES OF ACTIONS:

- COUNT 1: FIRST CAUSE OF ACTION (Wrongful Termination in Violation of Public Policy Against All Defendants)**
COUNT 2: SECOND CAUSE OF ACTION (Breach of Contract Against All Defendants)
COUNT 3: THIRD CAUSE OF ACTION (Age Discrimination)
COUNT 4: FOURTH CAUSE OF ACTION (Violation of Arizona Whistleblower Act)
COUNT 5: FIFTH CAUSE OF ACTION (Violation of The Consumer Financial Protection Act)
COUNT 6: SIXTH CAUSE OF ACTION (Violation of Consent Order from The Department of Business Oversight of the State of California)

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CERTIFICATE OF SERVICE

I hereby certify that on this [REDACTED], a copy of the foregoing was sent via first class mail to:

Defendant Addresses:

Change Lending, LLC (DBA: Commerce Home Mortgage Wholesale)

16845 Von Karman Avenue, Suite 200

Irvine, CA 92606

Ted Ray

President of Change Home Mortgage

16845 Von Karman Avenue, Suite 200

Irvine, CA 92606

Interested Parties: Excelerate Capital.

Mario Patrick De Tomasi

CEO of Change Lending / President of The Change Company

3938 Canyon Road

Lafayette, CA 94549

Interested Parties: Simar Holdings Corp.

Spouse: Lia De Tomasi

CA Broker License: #01454053

Steven Alan Sugarman

Founder of The Change Company

508 Ocampo Drive

Pacific Palisades, CA 90272

Interested Parties: Los Angeles Team Mentoring (LATM), Michelman & Robinson, LLP, Antonio Villaraigosa.

Spouse: Ainslie Mackey Sugarman (CA State Bar License #220316).

CA Broker License: #01356635

CA State Bar Law License: #220315

Marillette Owen

3680 E Powell Place

Chandler, AZ 85249

Interested Parties: Reids Ranch Homeowners Association, Arizona Community Management Services HOA,

Landing at Reids Ranch Homeowners Association.

Spouse: Jeffery S. Owen

AKA: Sandra Marillette Owen, Sandra Marillette Ellsworth

Chris Fremott

2374 Keim Road

Naperville, IL 60565

Interested Parties: Changing Alpha? Unison Home Investors? Midwest Equity Mortgage, First Choice Bank?

Spouse: Jeanene Marie Rollins

AKA: Christopher John Fremott

Mattie Teskey

8507 E Shetland Trail

Scottsdale, AZ 85258

Interested Parties: Goldwater Bank, Weststar Mortgage, Sheryl Rose (Blackfin Group), Los Ojos De La Familia




Arizona Board of Directors, Fifty-Six Palms Homeowners Association.

Spouse: Tasha Raschelle Teskey

AKA: Matthew Teskey, Mattie Mikey Telsa

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Potter Equities vs. Change Lending, LLC, et al.

Court Location	General Case Category	Case Number	Case Detail	EFSP Filing ID	Delete/Copy/Update	Payment Au
Maricopa County Superior Court	Civil		Potter Equities vs Change Lending, LLC et al	1304710	  	N/A

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Sidney Potter

Underwriter

16845 Von Karman Ave, Suite 200

Irvine, CA 92606

phone: 949-255-6065

Sidney.Potter@commercemtg.com

Click here for [Quick Pricer](#)

Change
WHOLESALE



NMLS 1839



Re: Steven Sugarman / Change Mortgage

From: Sidney Potter (dsidneypotter@yahoo.com)

To: smichelman@mrlp.com; mrobinson@mrlp.com; dkravetz@mrlp.com

Cc: jgiardino@mrlp.com; rcamhi@mrlp.com; mhanna@mrlp.com; sdarmstadter@mrlp.com; jjensen@mrlp.com; vlambrechts@mrlp.com; selzarka@mrlp.com; plocker@mrlp.com; evaisbort@mrlp.com

Date: Friday, October 22, 2021, 03:30 PM EDT

On Friday, October 22, 2021, 11:09:49 AM EDT, Sidney Potter <dsidneypotter@yahoo.com> wrote:

Gentlemen -

One of your employees, Steven Sugarman, has breached his obligation to make payment to a former employee. As evidenced by the email thread below from paycomonline at Change Mortgage, a scheduled direct deposit was interrupted and cancelled yesterday? As you are aware, it is against the law not to pay wages in California. Below is a link to show it is a violation. Kindly nudge Stevie to rectify this breach IMMEDIATELY. If there is a failure to pay, then a compliant will be filed with the Franchise Tax Board of California and the California State Bar, in addition to me notifying my business writer friends at the *Los Angeles Times* and *Orange County Register*. You should also be aware that there is pending litigation against Change Mortgage in Arizona, Maricopa County. This should have been disclosed to your firm last week. Hope he did not forget!

D. Sidney Potter
818-298-4388

<https://www.shouselaw.com/ca/labor/wage-and-hour/final-wages/>

Labor Code 202 LC — Payment of wages upon quitting. ("(a) If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.")

On Thursday, October 21, 2021, 02:09:12 PM EDT, <systemmessage@paycomonline.com> wrote:

NOTICE: This is an alert to inform you that your payroll direct deposit account information has been changed. If you did not authorize this change, please contact your Human Resources department immediately. If you did authorize this change, no action is necessary.

**az.gov**
STATE OF ARIZONA**E-LICENSING****LICENSE SEARCH CONTRACTOR SEARCH FILE A COMPLAINT**

Change Lending, LLC, Phoenix, AZ Branch

The search results for the license holder are listed to the right.

Click the following link for license status descriptions:
[License Status Legend](#)

Current Date and Time

10/02/2021 16:37:27 MST

Street

City

State

Zip Code

2198 East Camelback Road Phoenix AZ 85016

Phone

925-275-6844

Board

Arizona Department of Financial Institutions

License Number

License Type

BK-BR-0124271

Mortgage Banker

Issue Date

Expiration Date

07/18/2018

12/31/2021

Status

Sub Status

Active

Discipline

[SUPPORT](#)[REGISTRATION GUIDE](#)[PRIVACY NOTICE](#)[WWW.AZ.GOV](#)



Secretary of State
Amendment to Articles of
Organization of a
Limited Liability Company (LLC)

LLC-2

IMPORTANT — Read Instructions before completing this

form. Filing Fee - \$30.00

Copy Fees - First page \$1.00; each attachment page \$0.50;
 Certification Fee - \$5.00

Note: You must file a Statement of Information (Form LLC-12), to change the business address(es) of the LLC or to change the name or address of the LLC's manager(s) and/or agent for service of process, which can be filed online at llcbizfile.sos.ca.gov/SI.

FILED
 Secretary of State
 State of California

FEB 03 2021

1CC Above Space For Office Use Only

1. LLC Exact Name (Enter the exact name on file with the California Secretary of State.)

Commerce Home Mortgage, LLC

2. LLC 12-Digit Entity (File) Number (Enter the exact 12-digit Entity (File) Number issued by the California Secretary of State.)

2	0	1	8	0	9	4	1	0	4	6	3
---	---	---	---	---	---	---	---	---	---	---	---

3. New LLC Name (If Amending) (See Instructions – List the proposed LLC name exactly as it is to appear on the records of the California Secretary of State. The name must contain an LLC identifier such as LLC or L.L.C. "LLC" will be added, if not included.)

Change Lending, LLC

4. Management (If Amending) (Select only one box)

The LLC will be managed by:

☐

One Manager

☐

More than One Manager

☐

All LLC Member(s)

5. Purpose Statement (Do not alter Purpose Statement.)

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

6. Additional Amendment(s) set forth on attached pages, if any, are incorporated herein by reference and made part of this Form LLC-2. (All attachments should be 8½ x 11, one-sided, legible and clearly marked as an attachment to this form LLC-2.)

Signature

By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

Sign here

Thedora Nickel

Print your name here

MARY ANN SMITH
Deputy Commissioner
SEAN M. ROONEY
Assistant Chief Counsel
UCHE ENENWALI (SBN: 235832)
Senior Corporations Counsel
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013
Telephone: (213) 576-7586
Facsimile: (213) 576-7181

Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	CRMLA LICENSE NO. 415-0083
)	
THE COMMISSIONER OF BUSINESS)	CONSENT ORDER
OVERSIGHT,)	
)	
Complainant,)	
v.)	
)	
COMMERCE HOME MORTGAGE LLC,)	
)	
Respondent.)	

This Consent Order is entered into between the Commissioner of Business Oversight (Commissioner) on the one hand and Commerce Home Mortgage LLC, (CHM), successor in interest to Commerce Home Mortgage, Inc. (CHM, Inc.) on the other (the Parties), and is made with respect to the following:

I.

Recitals

A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of lending and/or servicing residential mortgage loans pursuant to the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.), including

1 mortgage loan originators.

2 B. CHM represents that on April 30, 2018 (CHM, Inc. Purchase Date), CHM, Inc. was
3 acquired by The Capital Corps. (TCC) pursuant to the terms of a change in control agreement, and
4 was thereafter recapitalized and reorganized as Commerce Home Mortgage, LLC, a wholly-owned
5 operating subsidiary of TCC. CHM further represents that in connection with the reorganization of
6 CHM, Inc., TCC caused the company to replace its senior management team.

7 C. CHM is a California corporation located at 16845 Von Karman Avenue, Suite 200
8 Irvine, California 92606.

9 D. On or about November 6, 2018, CHM changed its name from Commerce Home
10 Mortgage, Inc. to Commerce Home Mortgage, LLC.

11 E. CHM, as successor in interest to CHM, Inc., is a residential mortgage lender and
12 loan servicer licensed by the DBO since February 14, 2013, with the CRMLA license no. 415-0083.
13 CHM is also licensed by the Commissioner as a finance lender and broker since October 18, 2017,
14 pursuant to the California Finance Lenders Law (CFL) (Fin. Code §22000 et seq.), under the
15 CFL license no. 60DBO74388.

16 F. Ted Ray became the President of CHM subsequent to the CHM, Inc. Purchase Date
17 and as such, is authorized to enter into this Consent Order on behalf of CHM.

18 G. During a regulatory examination of CHM, Inc. conducted in September 2014, and a
19 second examination conducted in July 2018, the Commissioner discovered that on or prior to the
20 CHM, Inc. Purchase Date, CHM, Inc.: (i) failed to reconcile its escrow liability ledgers to its trust
21 bank account at least once each month in violation of California Code of Regulations (CCR) section
22 1950.314.1.; (ii) failed to include the required statement "Licensed by the Department of Business
23 Oversight under the California Residential Mortgage Lending Act" in its advertisement material, in
24 violation of California Code of Regulations section 1950.204.3.; (iii) CHM provided borrowers
25 California Financing law disclosures in loans made under the CRMLA, in violation of California
26 Financial Code section 50314; and (iv) provided Fair Lending Notices which did not disclose the
27 Department of Business Oversight as the contact agency to borrowers, in violation of California
28 Health and Safety Code 35830.

1 H. On or about October 11, 2018, the Department of Business Oversight issued a
2 Report of Examination to CHM for the regulatory examination commenced in July 2018 setting
3 forth the violations described herein in paragraph G (i)-(iv).

4 I. CHM has submitted information and documentation to the Commissioner
5 evidencing that the above findings, which findings were made in respect of the period prior to the
6 CHM, Inc. Purchase Date, were either not violations or have been resolved. CHM agrees to the
7 entry of this Consent Order as a resolution of this matter without the need to initiate litigation.

8 J. The Commissioner finds this Consent Order is appropriate, in the public interest and
9 consistent with the purposes fairly intended by the policy and provisions of the CRMLA.

10 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
11 forth herein, the parties agree as follows:

12 **II.**

13 **Terms and Conditions**

14 1. Purpose. This Consent Order resolves the issues before the Commissioner, including
15 findings of the July 2018 regulatory examination of CHM set forth in paragraph G, above in a
16 manner that avoids the expense of a hearing and other possible court proceedings, protects
17 consumers, is in the public interest, and is consistent with the purposes and provisions of the CFL.

18 2. Finality of Consent Order. CHM agrees to comply with this Consent Order and
19 stipulates this Consent Order is hereby deemed final.

20 3. Order to Discontinue Violations. CHM hereby agrees that in accordance with
21 Financial Code section 50321, it will immediately discontinue the violations set forth herein.

22 4. Administrative Penalty. CHM shall pay a penalty to the Commissioner in the
23 amount of \$43,000.00, which shall be due and payable on the effective date of this Consent Order,
24 as such date is defined in Paragraph 21. The penalty must be made payable in the form of a
25 cashier's check or Automated Clearing House deposit to the Department of Business Oversight and
26 transmitted to the attention of Accounting – Litigation, at the Department of Business Oversight,
27 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment must be
28

1 concurrently sent to Uche Enenwali, Senior Counsel, Department of Business Oversight, 320 W.
2 Fourth Street, Suite 750, Los Angeles, California 90013.

3 5. Waiver of Hearing Rights. CHM acknowledges the Commissioner is ready, willing,
4 and able to proceed with the filing of an administrative enforcement action on the charges contained
5 in this Consent Order. CHM hereby waives the right to any hearings, and to any reconsideration,
6 appeal, or other right to review which may be afforded pursuant to the CFLL, the California
7 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of
8 law. CHM further expressly waives any requirement for the filing of an Accusation pursuant to
9 Government Code section 11415.60, subdivision (b). By waiving such rights, CHM effectively
10 consents to this Consent Order and Order to Discontinue Violations becoming final.

11 6. Failure to Comply with Consent Order. CHM agrees that if it fails to comply with
12 the terms of this Consent Order, the Commissioner may, in addition to all other available remedies
13 it may invoke under the CRMLA and CFLL, summarily suspend/revoke the CRMLA and CFLL
14 licenses of CHM until CHM is in compliance. CHM waives any notice and hearing rights to
15 contest such summary suspensions which may be afforded under the CRMLA and CFLL, the
16 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
17 provision of law in connection therewith.

18 7. Information Willfully Withheld or Misrepresented. This Consent Order may be
19 revoked, and the Commissioner may pursue any and all remedies available under law against CHM
20 if the Commissioner discovers that CHM knowingly or willfully withheld or misrepresented
21 information used for and relied upon in this Consent Order.

22 8. Future Actions by Commissioner. If CHM fails to comply with any terms of the
23 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
24 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
25 against CHM, or any of its partners, owners, officers, shareholders, directors, employees or
26 successors for any and all unknown violations of the CFLL.

27 9. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
28 ability to assist a government agency (whether city, county, state, or federal) with any

1 administrative, civil or criminal action brought by that agency against CHM or any other person
2 based upon any of the activities alleged in this matter or otherwise.

3 10. Headings. The headings to the paragraphs of this Consent Order are inserted for
4 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
5 the provisions hereof.

6 11. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
7 interest.

8 12. Reliance. Each of the parties represents, warrants, and agrees that in executing this
9 Consent Order it has relied solely on the statements set forth herein and the advice of its own
10 counsel. Each of the parties further represents, warrants, and agrees that in executing this Consent
11 Order it has placed no reliance on any statement, representation, or promise of any other party, or
12 any other person or entity not expressly set forth herein, or upon the failure of any party or any
13 other person or entity to make any statement, representation or disclosure of anything whatsoever.
14 The parties have included this clause: (1) to preclude any claim that any party was in any way
15 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
16 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

17 13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
18 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
19 parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any other
20 provision. No waiver by either party of any breach of, or of compliance with, any condition or
21 provision of this Consent Order by the other party will be considered a waiver of any other
22 condition or provision or of the same condition or provision at another time.

23 14. Full Integration. This Consent Order is the final written expression and the complete
24 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
25 between the parties with respect to the subject matter hereof, and supersedes all prior or
26 contemporaneous agreements, negotiations, representations, understandings, and discussions
27 between and among the parties, their respective representatives, and any other person or entity, with
28 respect to the subject matter covered hereby.

1 15. Governing Law. This Consent Order will be governed by and construed in
2 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court,
3 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an
4 inconvenient forum to the maintenance of such action or proceeding in such court.

5 16. Counterparts. This Consent Order may be executed in one or more separate
6 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
7 together constitute a single document.

8 17. Effect Upon Future Proceedings. If Respondents apply for any license, permit or
9 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
10 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
11 admitted for the purpose of such application(s) or enforcement proceedings(s).

12 18. Voluntary Agreement. CHM enters into this Consent Order voluntarily and without
13 coercion and acknowledges that no promises, threats or assurances have been made by the
14 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
15 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
16 without any duress or undue influence of any kind from any source.

17 19. Notice. Any notice required under this Consent Order be provided to each party at
18 the following addresses:

19 To CMH: Angie Miranda
20 Chief Risk Officer
21 Commerce Home Mortgage, Inc.
22 16845 Von Karman Avenue, Suite 200
23 Irvine, California 92606
24 Tel: 949-629-3567 | fax 949-423-3029
25 amiranda@commercemtg.com

26 To the Commissioner: Uche L. Enenwali, Esq.
27 Senior Counsel
28 Department of Business Oversight
 320 W. 4th Street, Suite 750
 Los Angeles, California 90013-2344
 Tel: 213-576-7586 | fax 213-576-7181
 Uche.enenwali@dbo.ca.gov

1 20. Signatures. A fax or electronic mail signature shall be deemed the same as an
2 original signature.

3 20. Public Record. CHM hereby acknowledges that this Consent Order is and will be a
4 matter of public record.

5 21. Effective Date. This Consent Order shall become final and effective when signed by
6 all parties and delivered by the Commissioner's agent via e-mail to CHM
7 amiranda@commercemtg.com.

8 22. Authority to Sign. Each signatory hereto covenants that he/she possesses all
9 necessary capacity and authority to sign and enter into this Consent Order and undertake the
10 obligations set forth herein.

11 23. Independent Legal Advice. Each of the parties represents, warrants, and agrees that
12 it has received independent advice from its attorney(s) and/or representatives with respect to the
13 advisability of executing this Consent Order.

14 24. Opportunity to Cure. In the event CHM fails to comply with the terms of this
15 Consent Order, the Commissioner, in his sole discretion, may give CHM written notice of such
16 breach (Notice) and the opportunity to cure the breach (Cure). The Cure must be completed to the
17 satisfaction of the Commissioner within five business days after the day the Notice has been sent
18 via email to CHM at amiranda@commercemtg.com, unless another date for receipt of Cure is
19 agreed to in writing by the Commissioner's Enforcement Counsel.

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1 Proof of Cure, satisfactory to the Commissioner, shall be sent to Uche L. Enenwali, Department of
2 Business Oversight, at 320 W. Fourth Street, Suite 750, California 90013 and via email at
3 Uche.enenwali@dbo.ca.gov.

4
5 Dated: 12/19/19

MANUEL P. ALVAREZ
Commissioner of Business Oversight

6
7
8 By _____
MARY ANN SMITH
9 Deputy Commissioner
Enforcement Division

10
11 Dated: 12/19/19

COMMERCE HOME MORTGAGE, LLC.

12
13 By _____
14 TED RAY, President

Filing # 127859985 E-Filed 06/01/2021 01:53:38 PM

IN THE CIRCUIT COURT OF THE
[REDACTED], FLORIDA

[REDACTED] S. Potter,
Plaintiff,

CASE NO: 2021 [REDACTED]
CIVIL DIVISION

vs.

[REDACTED] Lively, et al.
Defendants,

ORDER REGARDING EMAILS FROM [REDACTED] LARIMER

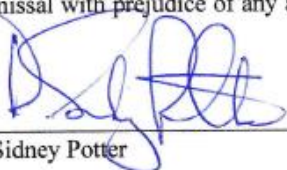
On May 13-17, 2021, this Court received multiple emails from an individual identifying himself as [REDACTED] in-house counsel for Defendant [REDACTED] Mortgage [REDACTED] and from an individual identifying herself as [REDACTED] Larimer who stated that she represents Defendant [REDACTED]. The emails do not appear to be copied to the Plaintiff or any other party in the case. If this is true, the emails are improper ex parte attempts to communicate with the Court. As such the Court cannot and will not act on them. For the benefit of the other parties in this case the referenced emails are attached to this order and will be filed in the court file.

**CREDIT FIRST NATIONAL ASSOCIATION
Confidential Settlement Agreement and Release**

FILE NUMBER 701137

_____, ("Mr. Potter"), for and in consideration of the sum of _____, payment of which is pending, and deletion of the account, deletion of the tradeline, and waiver of his debt associated with CFNA credit account 6176 _____ does hereby for himself and his heirs, executors, administrator, successors, and assigns, and any and all other persons, firms, employers, corporations, associations or partnerships acting by or through him, release, acquit and forever discharge _____, **Bridgestone Americas, Inc., Bridgestone Retail Operations, LLC,** _____, and their respective employees, agents, officers, attorneys, parent companies, subsidiary companies, affiliated companies, successors, predecessors, assigns, and any and all other persons, agents, firms, employers, corporations, associations or partnerships acting on their behalf (collectively "the Released Parties"), from

cause this Settlement Agreement and Release to be defective, or less than full, final, and complete, he will execute any and all instruments and do any and all things necessary to effectuate a full, final and complete release of those released herein, including the dismissal with prejudice of any actions related to the subject matter of this Agreement.



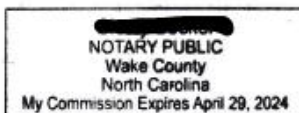
David Sidney Potter

State of North Carolina
County of Wake

The foregoing instrument was sworn to and signed before me by means of _____ physical presence or _____ online notarization, by David Sidney Potter, who is personally known to me or who produced _____ as identification, this 9th day of March, 2021.

NOTARY PUBLIC

My Commission Expires: April 29, 2024



CONFIDENTIAL RELEASE AND SETTLEMENT AGREEMENT

Confidential Release and Settlement Agreement ("Agreement") between DAVID SIDNEY POTTER ("POTTER") and [REDACTED] CONSULTING [REDACTED] effective on the date POTTER signs below to resolve the dispute between the parties on the following terms and conditions:

Wells Fargo Bank
82 S. Lake Ave.
Pasadena, CA 91101
ABA Routing#: 122-000-247
Checking#: 8657-8480-84
Account Holder: D. Sidney Potter


POTTER acknowledges that [REDACTED] covenants and agreements are full and adequate consideration for all of his covenants and agreements under this Agreement. POTTER further agrees he is not entitled to receive any further compensation, monies, funds, fees, costs, or relief of any kind other than what is described in this Agreement as consideration for this Agreement.

7. **Taxes.** POTTER will be solely responsible for the payment of any applicable state or federal income taxes on [REDACTED] from these taxes only applicable to employers

DEFENDANTS:


AGREED this 14th day of December, 2019.

STATE OF Colorado
COUNTY OF Arapahoe



DAVID SIDNEY POTTER

I, the undersigned Notary Public, certify that DAVID SIDNEY POTTER acknowledged under oath before me on this day that, being informed of the contents of the foregoing Confidential Settlement and Release Agreement, he executed the same voluntarily on this date. Given under my hand and official notary seal this 14th day of Dec, 2019.



Notary Public
My Commission Expires: 10/23/2022
(Affix Seal)


NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID [REDACTED]
MY COMMISSION EXPIRES 10/23/2022



I. PARTIES: This is a Confidential Settlement Agreement and Release (the "Agreement") between Plaintiff D. Sidney Potter ("Plaintiff"), Defendant Nationwide Mutual Insurance Company ("Nationwide"), and Nationwide's officers, directors and employees named in this action, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED]. Nationwide and these individual defendants are collectively referred to herein as "Defendants". Plaintiff and Defendants are collectively referred to herein as "the Parties."

2.1 Certain disputes and controversies have arisen between and among the Parties hereto.

4. **TERMS AND CONDITIONS:** In consideration of the release contained herein, and for other good and valuable consideration, the receipt of which is acknowledged by each party hereto, the Parties further agree as follows:

4.2 Concurrently with execution of this Agreement, Plaintiff shall execute and deliver to counsel for Defendants a Request for Dismissal of the entire action, as to all Defendants, with prejudice, which shall be filed with the Court by counsel for Defendants upon Plaintiff's confirmation of his receipt of the settlement check provided for in section 4.1 above.

pursuant to the terms of this Agreement on the ground that this Agreement is confidential or otherwise privileged.

THE UNDERSIGNED HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND IT.

Dated: July 12, 2017

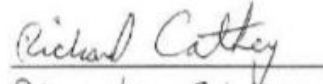
By:


D. Sidney Potter, Plaintiff

Dated: July 14, 2017

By:

Title:


Director, Claims
NATIONWIDE MUTUAL INSURANCE
COMPANY, Defendant

For itself and as an authorized agent and on behalf
of the individually named Defendants in this action
who are officers, directors, and employees of
Nationwide and acting on its behalf

3711-7001: Potter v. [REDACTED], et al. - BC649105; and Potter v. FTI Consulting, et al. - BC649104

Sidney Potter/Not Ope... ★



Kelly A. Beltran <kbeltran@klinedinstlaw.com>
To: dsidneypotter@potterequities.com
Cc: Andrea F. Oxman



Apr 10, 2017 at 9:45 AM ★

Good Morning Mr. Potter,

Please see the attached fully executed Settlement Agreement and two [fully executed] Notice of Settlement forms regarding the above subject matters. Our office will handle the filing of the Notice of Settlement forms with the Court this date and provide you with conformed copies of same. The attached documents will follow by U.S. Mail. Thank you.

Kelly A. Beltran
Legal Secretary
Klinedinst PC

Los Angeles
(213) 406-1100 Ext. 3223 Phone

[vCard](#) | [Biography](#) | [Website](#) | [Locations](#)

Klinedinst.
ATTORNEYS

EXHIBIT 10

Person Filing: Potter Equities
Address (if not protected): P.O. Box 287
City, State, Zip Code: Pasadena, CA 91102
Telephone: 818-298-4388
Email Address: dsidneypotter@potterequities.com
Lawyer's Bar Number: TBD

Clerk of the Superior Court
*** Electronically Filed ***
J. Nelson, Deputy
10/28/2021 1:22:00 PM
Filing ID 13547084

FOR CLERK'S USE ONLY

Representing ☒ Self, without a Lawyer or ☒ Attorney for ☒ Plaintiff OR ☐ Defendant

SUPERIOR COURT OF ARIZONA IN MARICOPA COUNTY

Potter Equities

PLAINTIFF,

vs.

Change Lending, LLC

DEFENDANT.

Case Number: CV2021-016849

CERTIFICATE OF COMPULSORY ARBITRATION

***Notice to Defendant: If you agree with the Plaintiff's Certificate of Compulsory Arbitration, you DO NOT need to file this form.**

- The undersigned certifies that this case is (Please check **ONLY** one option below):
- ☐ **Subject to Arbitration** – The amount of money in controversy **DOES NOT** exceed \$50,000, **AND** no other affirmative relief is sought.
- ☒ **Not Subject to Arbitration** – The amount of money in controversy **DOES** exceed \$50,000, **OR** other affirmative relief is sought.

***Defendant – If you DISAGREE with the Plaintiff's Certificate of Compulsory Arbitration, please explain why you disagree below:**

SUBMITTED this 22nd day of October, 2021.

SIGNATURE 